

Government that Works!

NEW JERSEY DEPARTMENT OF THE TREASURY

LOCAL GOVERNMENT BUDGET REVIEW

TOWNSHIP OF FRANKLIN

DONALD T. DiFRANCESCO
Acting Governor

PETER R. LAWRANCE
Acting State Treasurer

MARCH, 2001



GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE *The Report of the Township of Franklin*

New Jerseyans deserve the best government their tax dollars can provide. Efficiency in government and a common sense approach to the way government does business, both at the state and at the local level, are important to Acting Governor Donald T. DiFrancesco. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board. Government on all levels must stop thinking that money is the solution to their problems and start examining how they spend the money they now have. It is time for government to do something different.

Of major concern is the rising cost of local government. There is no doubt that local government costs and the property taxes that pay for them have been rising steadily over the past decade. The Local Government Budget Review (LGBR) program was created in 1994 by former Governor Whitman, marking the first time the state worked as closely with towns to examine what is behind those costs. The Local Government Budget Review (LGBR) program's mission is simple: to help local governments and school boards find savings and efficiencies without compromising the delivery of services to the public.

The LGBR program utilizes an innovative approach combining the expertise of professionals, primarily from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a comprehensive management review and consulting service provided by the state at no cost to them. To find those "cost drivers" in local government, teams review all aspects of local government operation, looking for ways to improve efficiency and reduce costs.

In addition, teams also document those state regulations and mandates which place burdens on local governments without value-added benefits and suggest, on behalf of local officials, which ones should be modified or eliminated. Teams also look for "best practices" and innovative ideas that deserve recognition and that other communities may want to emulate.

Based upon the dramatic success of the program and the number of requests for review services, in July, 1997, the program was expanded, tripling the number of teams in an effort to reach more communities and school districts. The ultimate goal is to provide assistance to local government that results in meaningful property tax relief to the citizens of New Jersey.

THE REVIEW PROCESS

In order for a town, county or school district to participate in the Local Government Budget Review program, a majority of the elected officials must request the help of the review team through a resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the review team, and agree to an open public presentation and discussion of the review team's findings and recommendations.

As part of the review, team members interviewed each elected official, as well as employees, appointees, members of the public, contractors and any other appropriate individuals. The review teams examined current collective bargaining agreements, audit reports, public offering statements, annual financial statements, the municipal code and independent reports and recommendations previously developed for the governmental entities, and other relevant information. The review team physically visits and observes the work procedures and operations throughout the governmental entity to observe employees in the performance of their duties.

In general, the review team received the full cooperation and assistance of all employees and elected officials. That cooperation and assistance was testament to the willingness on the part of most to embrace recommendations for change. Those officials and employees who remain skeptical of the need for change or improvement will present a significant challenge for those committed to embracing the recommendations outlined in this report.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or the tax rate. In particular, the productivity enhancement values identified in this report do not necessarily reflect actual cash dollars to the municipality, but do represent the cost of the entity's current operations and an opportunity to define the value of improving upon such operations. The estimates have been developed in an effort to provide the entity an indication of the potential magnitude of each issue and the savings, productivity enhancement, or cost to the community. We recognize that all of these recommendations cannot be accomplished immediately and that some of the savings will occur only in the first year. Many of these suggestions will require negotiations through the collective bargaining process. We believe, however, that these estimates are conservative and achievable.

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
TOWNSHIP OF FRANKLIN**

Municipal Clerk

The team recommends the township update the codebook at a one-time expense of \$20,000 and an annual expense of \$3,000 - \$5,000.

The township should consider using seasonal help to cull records and clearly label boxes with destruction dates, at a one-time expense of \$2,800.

The team recommends the township increase their liquor license fees to the maximum allowed by law, for a revenue enhancement of \$105,242 over a 10 year period. The team also recommends the township increase the mobile home site license fee for an additional revenue enhancement of \$1,940.

By networking all office PC's and providing training to the clerk and deputy clerk, at a one-time expense of \$3,500, the township could yield a productivity enhancement of \$11,137.

Financial Administration

By competitively investing all account balances in excess of those required banking services, the township could yield a revenue enhancement \$35,624.

Insurance

The township should consider obtaining health benefits coverage from the State Health Benefits Plan (SHBP), saving \$38,191.

Public Assistance

The team recommends the township transfer the PATF and PATF I account balance to the township's current fund, for a one-time revenue enhancement of \$10,858.

The township should reconsider its earlier decision to retain the welfare operation. By consolidating with the county, the township could save \$5,647.

Purchasing

The team recommends purchase requisitions be prepared and processed electronically, at a one-time expense of \$3,000, with a recurring expense of \$500. This would eliminate redundant processing, yielding a productivity enhancement of \$4,030.

Animal Control

The team recommends that the township increase dog license fees to \$7, for a revenue enhancement of \$4,748.

Tax Collection

The team recommends the township redesign the tax office counter to accommodate two workstations, including cashier windows and cash drawers, at a one-time expense of \$5,965.

Courts

By reorganizing staff as recommended in the report, the township could yield a productivity enhancement of \$5,500.

Police

The team recommends that the township revise its draft drug and alcohol testing policy to include law enforcement staff, at an annual expense of \$625.

By providing third party towing services in accordance with the attorney general's opinion, the township could yield a revenue enhancement of \$1,200.

The team recommends the township retain the \$10 annual fee for alarm registration, for a revenue enhancement of \$2,000.

The team recommends the township employ retired police officers from other jurisdictions as part-time evidence technicians, at an annual expense of \$35,000.

The team, also, recommends the township reduce the police fleet to 14 vehicles by transferring the oldest vehicles to other departments, by trade-in, or by auction, saving \$4,000.

Recreation

The township should consider installing lightning detectors for the township recreation areas and other areas of public land, at a one-time expense of \$4,000.

Emergency Medical Services

The township should consider establishing an EMS fee to recover some of the cost of providing EMS services, for a revenue enhancement of \$136,096.

Fire District #4

By competitively investing all balances in excess of those required for banking services, the district could yield a revenue enhancement of \$2,938.

Fire District #5

The team recommends the district competitively invest all balances in excess of those required for banking services, for a revenue enhancement of \$1,767.

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID,
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN
THE TOWNSHIP OF FRANKLIN**

<u>Areas Involving Monetary Recommendations</u>	<u>One-time Savings/ Expense</u>	<u>Annual Savings/ Expense</u>	<u>Totals</u>
Municipal Clerk			
Update codebook	(\$20,000)	(\$5,000)	
Use seasonal help to cull records and label boxes for destruction	(\$2,800)		
Revenue enhancement from increase of liquor license fees over 10 years		\$10,524	
Increase mobile home site license fee		\$1,940	
Network office PC's and provide training to clerk and deputy clerk	(\$3,500)		
Productivity enhancement computer networking		\$11,137	
			(\$7,699)
Financial Administration			
Competitively invest all account balances		\$35,624	
			\$35,624
Insurance			
Obtain health benefits coverage from State Health Benefits Plan (SHBP)		\$38,191	
			\$38,191
Public Assistance			
Transfer PATF and PATF I account to the township's current fund	\$10,858		
Consolidate welfare department with county		\$5,647	
			\$16,505
Purchasing			
Prepare and process purchase requisitions electronically	(\$3,000)	(\$500)	
Productivity enhancement from electronic processing		\$4,030	
			\$530
Animal Control			
Increase dog license fees to \$7		\$4,748	
			\$4,748
Tax Collection			
Redesign tax office counter	(\$5,965)		
			(\$5,965)

**COMPARISON OF BUDGET APPROPRIATIONS, STATE AID,
AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN
THE TOWNSHIP OF FRANKLIN**

<u>Areas Involving Monetary Recommendations</u>	<u>One-time Savings/ Expense</u>	<u>Annual Savings/ Expense</u>	<u>Totals</u>
Courts			
Reorganize court session staff as recommended		\$5,500	\$5,500
Police			
Revise draft drug and alcohol testing to include law enforcement staff		(\$625)	
Provide third party towing services in accordance with attorney general		\$1,200	
Retain \$10 annual fee for alarm registration		\$2,000	
Employ retired police officers as part-time evidence technicians		(\$35,000)	
Reduce police fleet to 14 vehicles		\$4,000	
			(\$28,425)
Recreation			
Install lightning detectors for recreation areas	(\$4,000)		
			(\$4,000)
Emergency Medical Services			
Establish an EMS fee		\$136,096	
			\$136,096
Fire District #4			
Competitively invest all account balances		\$2,938	
			\$2,938
Fire District #5			
Competitively invest all account balances		\$1,767	
			\$1,767
Total Recommended Savings	(\$28,407)	\$224,217	\$195,810

COMPARISON OF BUDGET APPROPRIATIONS, STATE AID, AND LOCAL TAX RATE WITH RECOMMENDED REDUCTIONS IN THE TOWNSHIP OF FRANKLIN

<u>Areas Involving Monetary Recommendations</u>	<u>One-time Savings/ Expense</u>	<u>Annual Savings/ Expense</u>	<u>Totals</u>
Total Amount Raised for Municipal Tax			\$3,663,888
Savings as a % of Municipal Tax			5%
Total Budget			\$7,191,150
Savings as a % of Budget			3%
Total State Aid			\$1,827,450
Savings as a % of State Aid			11%

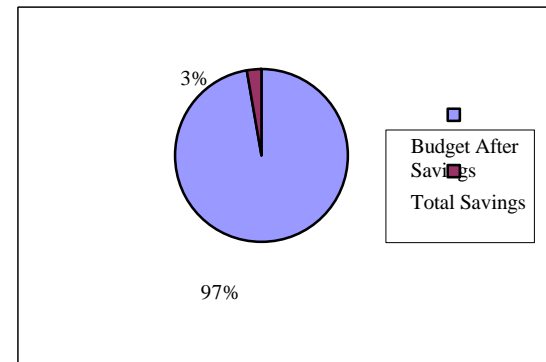
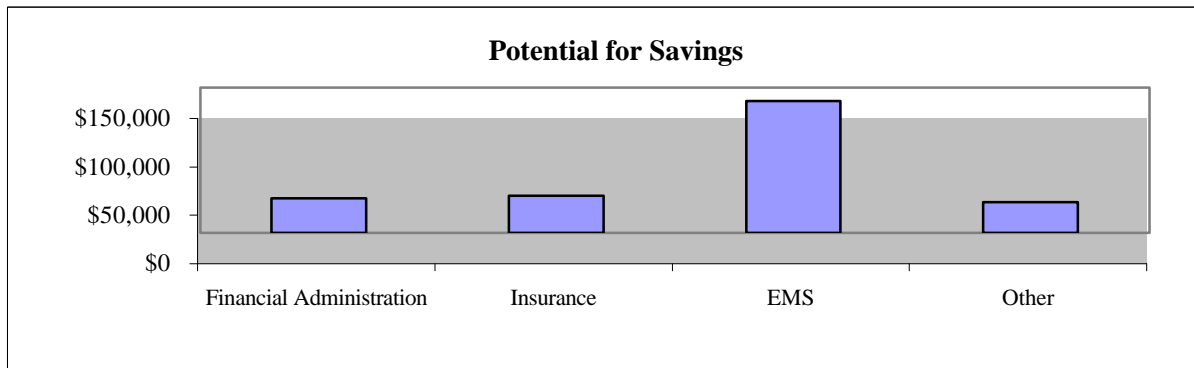


TABLE OF CONTENTS

Preface - Government That Works/Opportunities for Change	
The Review Process	
Executive Summary	
Comparison of Cost/Tax Rate with Recommended Savings	

<u>CONTENTS</u>	<u>PAGE</u>
COMMUNITY OVERVIEW	1
I. BEST PRACTICES.....	4
II. OPPORTUNITIES FOR CHANGE/FINDINGS AND RECOMMENDATIONS.....	5
TOWNSHIP GOVERNMENT	5
MUNICIPAL CLERK.....	8
FINANCIAL ADMINISTRATION	16
PERSONNEL.....	19
PAYROLL PROCESSING	20
INSURANCE	22
PUBLIC ASSISTANCE	25
PURCHASING	28
ANIMAL CONTROL	31
TAX COLLECTION.....	32
TAX ASSESSOR.....	37
COURTS.....	41
PUBLIC DEFENDER.....	48
PROSECUTOR.....	49
POLICE.....	50
PUBLIC WORKS	71
COMMUNITY DEVELOPMENT	76
UNIFORM CONSTRUCTION CODE (UCC).....	79
EMERGENCY MANAGEMENT	82
PUBLIC LIBRARY	83
RECREATION	89
EMERGENCY MEDICAL SERVICES	92
FIRE SAFETY OFFICE	93
FIRE SERVICES	94
FIRE DISTRICT #4	98
FIRE DISTRICT #5	102
III. COLLECTIVE BARGAINING ISSUES	107
IV. STATUTORY AND REGULATORY REFORM	110

COMMUNITY OVERVIEW

The Township of Franklin is located in southeastern Gloucester County. The Cumberland County communities of Upper Pittsgrove Township, Pittsgrove Township and Vineland border Franklin to the west. To the south are the Atlantic County communities of Buena Borough and Buena Vista Township. To the north and the east are the Gloucester County communities of Elk Township, Clayton Township, and Monroe Township. Franklin Township was created out of Woolwich and Greenwich Townships in 1820. The current borders of Franklin were established in 1924 after the municipalities of Glassboro, Clayton, Newfield and Elk were formed. Today, Franklin Township is comprised of approximately 56 square miles.

The 1999 New Jersey Municipal Data Book estimates the 1996 population of Franklin Township at 15,133. The 1990 census population was 14,482. According to the 1990 census, most of Franklin Township's population (72%) lived in a rural setting. Of those, fewer than 4% lived on farms. The 1990 census reports the population is predominantly white, with minorities making up less than 10%. The per capita income was reported at \$13,510, median household income was \$37,029, and median family income was \$40,178. The median value of an owner occupied home was \$91,000. The census also showed that 88% of the occupied housing units were owner occupied in 1990. Franklin had the third lowest senior population in the county in 1990, with only 8.5% of the population over 65. Their highest percentage age group, 61%, was the 18 to 64 age bracket.

The 1990 census reported a total of 10,426 persons 16 years of age or older. The labor force was reported to be 7,267. Of those who commuted to work, 77% drove alone, 13% carpooled, and 10% either walked or took other forms of transportation. Approximately 65.5% of those working outside their home commuted less than 35 minutes while 20% commuted 45 minutes or more. The census reports that 43% of Franklin's residents are employed in Gloucester County, 47% work outside the county and 10% work outside of New Jersey.

Approximately 20% of the labor force is employed in managerial and professional occupations. About 25% are employed in sales, technical, or administrative support occupations. The remaining employees are predominantly employed in precision production and service occupations or as machine operators, fabricators, and laborers. A much smaller portion of the labor force is in farming/fishing occupations.

Land use planning and development in the township is largely regulated by the Pinelands Comprehensive Management Plan (the Pinelands). In addition, the New Jersey State Development and Redevelopment Plan (the State Plan), provides a policy guide for the state's regional and local agencies to use when they exercise their statutory and regulatory authority. The New Jersey Pinelands Commission, in cooperation with units of local, state and federal governments, administers the Pinelands regulations. A large portion of the northeastern section of Franklin Township is regulated by the Pinelands.

The State Plan has identified three planning areas in Franklin Township, each with an objective designed to guide the application of statewide policies to the diverse characteristics of the state's geography and to help communities decide the appropriate land uses. The central and western portions of the township are classified as PA4B, Rural Area. Other areas of the township are designated PA5, Environmentally Sensitive and PA2, Suburban. The Suburban Planning Area is generally located adjacent to the more densely developed area in surrounding municipalities, but can be distinguished from them by a lack of high density centers and by the availability of vacant, developable land.

Three major arteries service the Franklin Township area. US RT 40 is an east-west artery connecting the Delaware Memorial Bridge and shore points. The others are State Highways 55 and 47, primarily north-south highways linking southern New Jersey with the greater Camden/Philadelphia area. The Atlantic City Expressway and the Avandale park and ride facility are accessible nearby in Williamstown. Passenger rail service on the Atlantic City – Philadelphia line is available in Hammonton.

Connective Energy and South Jersey Gas are the major energy utilities serving Franklin Township. Many residents and businesses also use privately supplied oil and propane for fuel. Residents and businesses in Franklin Township get their water from private wells and use private septic systems for sewage disposal. Washington Memorial Hospital in Elmer, Newcomb Hospital in Vineland, and JFK Hospital in Washington Township provide medical services.

The Franklin Township Committee requested this review jointly with the Franklin Board of Education and the Delsea Regional Board of Education. As fieldwork began, the team asked each of the five fire districts operating in Franklin Township if they would like to participate in the review. Fire Districts 4 (Forest Grove) and 5 (Star Cross) agreed to participate in the review, and, accordingly, are included in this report. The other fire districts did not respond.

We commend the township committee and fire district commissioners of districts 4 and 5 for inviting this review.

Franklin is organized under the township committee form of government as defined in N.J.S.A. 40A:63-1 et. seq. The terms of office are staggered such that one or two committee seats are up for election each year. Typically, candidates obtain a party nomination during the June primary election. Those who are successful in the primary, as well as those who qualify independently, appear on the November general election ballot. The term of office for those elected begins the following January. The township had 8,640 registered voters eligible to vote in the 1999 general election, of these, 3,423 (40%) cast ballots in the 1999 general election.

Fire Districts

The voters of the township elected to create five fire districts to provide fire protection services in the township. Statutorily, voters elect the fire district commissioners during an election scheduled in late February each year. Similar to the township committee, the commission

members serve staggered three-year terms. During the February, 1999 fire district election, voters cast 1,701 votes for candidates. This represents 1.9% of the registered voters and 4.9% of the voters who voted in the previous general election.

Unlike the township budget, but similar to the school district budget, the fire district budget is included on the ballot for voter approval. During the 1999 fire district election, voters cast 1,790 votes on the budget question in all districts.

The low voter turnout is typical of fire district elections with which the team is acquainted. Several township officials noted that the low turnout was, in large part, due to the “odd” timing of an election in February, causing voters to forget to vote. Others noted that those who did vote were those directly involved in the volunteer companies. Changing the election date for fire district elections to conform with municipal elections is included as an item in the statutory reform section of this report.

I. BEST PRACTICES

A very important part of the Local Government Budget Review report is the Best Practices section. During the course of every review, each review team identifies procedures, programs and practices, which are noteworthy and deserving of recognition. Best practices are presented to encourage replication in communities and schools throughout the state. By implementing these practices, municipalities and school districts can benefit from the Local Government Budget Review process and possibly save considerable expense on their own.

Just as we are not able to identify every area of potential cost savings, the review team cannot cite every cost-effective effort. The following are those best practices recognized for cost and/or service delivery effectiveness.

The township has a very active youth recreation program run primarily by volunteers, including the organizing and training of the lake lifeguard operation. In addition, local officials have organized volunteer efforts to build and rehabilitate public parks. Volunteer efforts by businesses and citizens clearly have improved the quality of life in Franklin.

The township's "rapid response" road paving program was developed to deal more effectively with old roadways with sections that become severely deteriorated. The township goes out to bid for asphalt pavement to be placed as directed by the township later when problem areas surface. Accordingly, sections of bad pavement are overlaid promptly at the time they become problems, without the need to then begin the bidding process.

The township has actively sought out cooperative arrangements with local school boards for the purchasing of supplies, the reuse of school buses for senior citizen programs, and the bartered exchange of specialty services such as paving and brush disposal.

II. OPPORTUNITIES FOR CHANGE/FINDINGS AND RECOMMENDATIONS

This section of the report is intended to identify opportunities for change within the municipal operations and to make recommendations that will improve efficiency and provide financial savings to the municipality and its taxpayers.

During the course of the review, the team found that the township makes a conscious effort to control costs and to explore areas that could result in cost savings and improved efficiencies within its operations. We have identified some of these in the Best Practices section of this report. Others are noted in the findings that follow. We commend the township for its efforts. The review team did find areas where additional savings could be generated, and has made recommendations for change that will result in reduced costs or increased revenue. These recommendations will lead to improvements in budgeting, cash management, cost control, and revenue enhancements.

Where possible, a dollar value has been assigned to each recommendation to illustrate cost savings and provide a measure of importance or magnitude to the recommendation. The time it will take to implement each recommendation will vary. There is no expectation that the total projected savings will be achieved in the short term. Some recommendations may be subject to collective bargaining considerations and, therefore, may not be implemented until the next round of negotiations. Nevertheless, the total savings and revenue enhancements should be viewed as an attainable goal. Their impact will be reflected in current and future budgets, and they will have a positive affect on the township's tax rate(s).

TOWNSHIP GOVERNMENT

Township Committee

The township committee is made up of five members, each elected to a term of three years. Each member is elected at large. The township committee is the legislative body of the municipality and they are authorized by statute to exercise all of the usual powers associated with local governments. These include the power to adopt ordinances, the power to borrow and to tax, the power to sue and be sued, investigative powers, etc. In general, the committee has all of the executive responsibilities of the municipalities that are not delegated to the mayor by law.

In the township committee form of government the committee elects one from among their number to be committee chair, or mayor. This election takes place at the annual reorganization meeting held early in January. The mayor has no additional authority other than that provided by law (N.J.S.A. 40A:63-5) and has the same right to participate in discussions and to vote as any other member of the township committee.

The committee may, by ordinance, delegate all or a portion of their executive responsibilities to an administrator as set forth in N.J.S.A. 40A:9-136. Such an ordinance was adopted in 1982.

The township committee members are paid a salary of \$4,000 per year and the mayor receives \$6,000. The 1998 total employee position cost, including social security and Medicare, for the committee was \$23,683. Members of the governing body do not receive health benefits from the township. The committee members do not have any direct clerical staff. When clerical support is required, the staff in the clerk's office and administrator's office performs any clerical functions that may be required. Operating expenses for the mayor and committee are budgeted under the "other expenses" section of the Department of Administration. This line item also contains expenses for other areas, such as the township administrator and the municipal clerk, making it impractical to determine what was spent on township committee expenses alone. Our review of detailed expenditure reports for this budget line did not reveal any questionable items of expense.

Administration

The city council passed ordinance 7-82 which established the position of full-time township administrator as specified in N.J.S.A. 40A:9-136. The powers and duties of the administrator are specified in the Franklin code. Generally, these duties include full administrative authority over all township departments. The administrator position has experienced recent turnover. Accordingly, the township elected officials and staff were experiencing transition issues.

The administrator's office has one clerical staff person assigned. The administrator utilizes other clerical staff to provide clerical support, as needed. Operating expenses within the administrator's office are included with those of the mayor and council and clerk's office and could not be segregated for this report. The 1999 total other expense (OE) expenditures were \$98,499. The 1999 salary and wage expenditure for the department was \$208,354. Statutory expenses and other benefits amounted to \$24,663, for a full-loaded wage cost of \$233,017.

We conclude that the staffing in the administrator's office is appropriate for the variety of tasks that must be accomplished in the administrator's office. We discuss the staffing in the clerk's office in the municipal clerk section of this report.

General Budgeting

Franklin uses the calendar year budget traditional in New Jersey municipalities. A review of the municipal surplus from 1996 through 1999 shows the dollar amount of surplus used to balance the budget has increased from \$266,000 to \$720,000. The amount of surplus available had nearly doubled from 1996 to 1997 due to the accelerated tax sale revenue. Since 1997, the available surplus has steadily decreased. Accordingly, the percentage used to balance the budget has increased. The decrease was a predictable result of the governing body's choosing to anticipate increasing estimates of tax collection. When more aggressive estimates are made, less is available to become surplus.

Estimated Tax Collections

The township is required to establish a reserve for uncollected taxes on the entire tax levy, including the school, and county levies. Accordingly, the dollar value of the difference between the estimated collection rate and the actual collection rate, up or down, is much greater than if calculated on the municipal levy alone.

In the 1997 budget, the total reserve for uncollected taxes (the difference between the estimated collections and 100%) was \$1,425,606. In 1998, it was \$283,561. This represents a \$1,142,045 reduction. The township estimated that 1997 tax collections would be 90.41% of the amount levied. The actual collection rate for 1997 was 98.13%. This increase in the collection rate increased the municipal surplus available for use in the 1998 budget. A collection rate over 96% is typical of suburban municipalities in New Jersey, and reflects a diligent effort to pursue collections by the tax collection staff. The 1997 and subsequent collection rates were unusually high due to Franklin having used an “accelerated tax sale” for the first time. We discuss accelerated tax sales later in this report. Prudence dictates that one conservatively estimate tax collections, as fluctuations in economic conditions can cause tax appeals, bankruptcies, and financial difficulties, which reduce tax payments. If estimated collections are too ambitious, even minor collection problems can cause significant municipal budget and tax increases. The team understands the 2000 budget was adopted with an estimated tax collection rate at the statutory maximum of the prior year’s actual collection rate.

The team feels an estimated collection rate of at least two percentage points lower than the prior year’s actual collection rate provides a prudent estimate. In each budget, a lower anticipated collection rate would increase reserve for uncollected tax appropriation. Assuming other items of anticipated revenue remained the same, the local purpose levy would be higher increasing the local purpose tax rate. However, anticipating this lower collection rate would have resulted in more available surplus in the following year.

Recommendation:

We recommend the township decrease the anticipated tax collection rate to at least 2% below the prior year actual collection rate and increase the appropriation for “reserve for uncollected taxes” in its budget.

Accelerated Tax Sale

In 1997, the township conducted its annual sale of tax liens in December of the year in which the taxes were due. Unlike the traditional tax lien sale conducted during the following year, the accelerated sale results in the receipt of the tax sale proceeds in the current budget year. In the initial year, the receipt of both the accelerated tax sale funds and the prior year’s traditional tax sale funds creates one-time revenue, which becomes surplus. In Franklin, this surplus was used as revenue to support the 1998 and 1999 budgets. The 1998 budget also reflects much lower revenue from interest costs on taxes and from receipts from delinquent tax, as the accelerated tax sale replaces the traditional sale. In the subsequent years, the township saw the total annual receipts from tax lien sales return to approximately what it had been before the accelerated sale.

Miscellaneous Revenue

Miscellaneous revenue is all revenue not derived from surplus, current taxes, dedicated revenue, or delinquent taxes. It includes local fees for various permits, licenses or activities, state and federal aid and grants.

An analysis of the township's budget projections for miscellaneous revenue from local sources compared to actual for the years 1996 through 1998 shows that the miscellaneous revenue projections for local revenue were estimated to be virtually the same as the prior year's actual revenue. Similar to the comment on the tax collection rate, the governing body has left very little margin for a shortfall in revenue.

Franklin has pursued many grant opportunities successfully. The township has received grant funds for a variety of law enforcement, public works and youth programs.

We commend Franklin for its active pursuit of grants.

General Observations

The township committee has obviously worked to maintain a modest, local purpose tax rate in the township. However, we view the combination of the increasing use of surplus (as a percent of surplus available), the aggressive estimation of tax collections, the aggressive estimates of other revenue, and the use of the accelerated tax sale as a signal of financial stress. While it is not uncommon for municipalities to use any one of these mechanisms to solve a problem in the short term, the use of all these mechanisms over several years indicates increasing financial stress. The resulting financial condition may not serve the township well if unexpected events which the municipality does not control, such as property owner bankruptcies or successful tax appeals, cause revenue deficits. Regular, modest adjustments to the tax rate can serve to create a predictable local purpose tax bill.

MUNICIPAL CLERK

The office of municipal clerk has two full-time employees. They are the municipal clerk and the deputy clerk. The office also uses the services of a full-time employee, who is cross-trained to work in several municipal departments. The "floater" employee spends roughly half of her time in the clerk's office, where her primary duty is to issue and record the approximately 3,100 dog licenses sold each year. The balance of her time is split between the tax collection office and other offices, as needed. The total gross salary paid for these employees in 1999, including the floater, was \$79,784. They also received direct benefits, which brought the total employee position cost for this office to \$96,614. The township combines a number of functions under the budget heading "administrative and executive," including the governing body, the administrator, the finance office and the clerk. Accordingly, we were unable to segregate the other expenses associated with this office.

Recommendation:

We recommend operating expenses be internally segregated by department so management can readily analyze operating costs.

Many of the duties of the municipal clerk are statutory. They include secretary to the governing body, secretary to the municipal corporation, quasi-administrative official, election official and registrar of vital statistics.

Elections

The township has nine voting districts. The clerk is responsible to see that primary, general and school district elections run smoothly in each district. The year 2000 saw the first use of electronic voting machines in Franklin Township. Previously, voters cast their votes manually using paper ballots and a sliding “punch.” The county’s purchase of the electronic machines will increase ballot security and greatly reduce the work involved in processing paper ballots.

Codification

Maintaining the records of a municipality, particularly the record of official acts and the minutes of governing body meetings, is one of the single most important responsibilities in the clerk's office. A municipality's adoption of an ordinance is a significant act establishing legal obligations for citizens and businesses. Ordinances also communicate public policy to those affected. It is important that citizens, municipal employees and others having affairs with a municipality have a single resource from which they can easily find all of the laws and policies that the municipality has adopted. The orderly compilation of these ordinances is called a codification and results in the development of a municipal codebook. The township contracted to prepare a codification in 1984. The township has not updated the municipal codebook since 1991. Consequently, it is not a reliable resource for township laws or policies. In addition to local ordinance adoptions and amendments, changes in state and county regulations that deal with issues such as land-use, health, etc., often require that local officials update related ordinances. The township has made efforts in the past to review and update the code to reflect current policies and conditions. However, the staff has reported that these efforts have resulted in few substantial changes or updates. Based on other municipalities' experience, we estimate the re-codification will cost approximately \$20,000 and supplementation, thereafter, will cost approximately \$3,000 to \$5,000 annually.

Recommendation:

The team recommends the township take immediate steps to update the codebook. In addition, the township should continue their efforts to review and update their codes to reflect current policies and conditions.

One-time Value Added Expense: \$20,000

Annual Value Added Expense: \$3,000 - \$5,000

Codification companies can produce their products in both hard copy or through electronic medium, such as CD's or floppy disks. The electronic version allows for the search and retrieval of information with just the touch of a button. Each township department has access to computers; however, there is no township-wide network to link these computers. Making the code available through a township-wide network would make the code readily available to all township employees. The team has reviewed this option with one of the major codification companies. We learned that network-capable software, which would provide for full text search

and retrieval capability, is available for \$3,200 plus \$500 per year in annual licensing fees and updates. The township may also wish to make their code available to the public through the Internet. Franklin Township does operate a web site that could provide this service to the public through the codification firm selected. The cost to make this available on the Internet would be approximately an additional \$200 plus \$25 per month.

Records Retention

The clerk stores current and previous year's records in the main office. Prior year's records and other historical society materials are in a storage area just off the clerk's office. All departments, except the police, store their records in this area. Each department is responsible for their own record storage and destruction, with no one person responsible for monitoring the process. The storage area has built-in shelving, which contain records-storage boxes dating back to 1987. The area is organized and orderly, with relatively easy access to all storage boxes. This access will be greatly enhanced with the removal of old voting machine units by the county and the relocation of historical society material to the future library/senior center building.

Unfortunately, storage boxes are dated according to when the staff placed the box in storage and boxes are labeled according to the category of material they contain. Records spanning a number of years may be stored in a single box. When one determines that records are to be submitted for destruction, the contents of the boxes must be examined again to identify those records that are eligible for destruction, according to the requirements of the State Library, Division of Archives. The last time the clerk's office requested destruction authorization was 1992, and this covered records no later than 1987.

Other communities, with which the team is familiar, segregate records going into storage by date of destruction as well as subject. Under this system, the boxes are numbered and labeled with the date they are eligible for destruction. Accordingly, the person responsible for the vault can easily identify each box eligible for destruction and file the requisite request for permission to destroy the records annually without the burdensome chore of purging each box in search of eligible records. Storing the records by subject facilitates easy retrieval in the event a file is needed.

The township should apply this system to all new records placed into storage. In order to overcome the problem of cleaning old files out of the vault, other municipalities have successfully used college students as summer help to cull records and file them according to destruction date. We estimate that a seasonal employee hired for eight weeks at \$10 per hour (\$2,800) could re-file existing records and identify all those currently eligible for destruction.

Recommendation:

We recommend the one-time use of seasonal help to cull records and clearly label boxes with destruction dates. The township should supplement this effort with a formal plan to implement periodic and systematic records disposal. Such a plan should include a review of the record retention requirements with a responsible person in each department, a

yearly review of departmental records retention needs and the development of a records destruction schedule for each department. The clerk, or someone serving as a record retention officer, should monitor this record destruction schedule.

One-time Value Added Expense: \$2,800

Minutes of Municipal Meetings

The Franklin Township committee holds two regular meetings per month. The clerk attends all meetings and is responsible for developing the meeting minutes. Once the committee approves the minutes, they are manually turned over to the deputy clerk who types in a bill list and payroll list. The process is tedious and, on many occasions, results in numerous pages of clerical data. Other communities that the team is familiar with include this information by attaching printouts from the finance department directly to the minutes or merely stating in the minutes that the information is available in the municipal clerk's office. While we have not attempted to quantify the potential timesavings, we believe it will be significant, and will allow the township to more productively use the 'floater' in other offices.

All minutes from 1999 and back were found to be complete and properly bound. The staff had not completed any minutes for the year 2000 at the time of the fieldwork. The team found the minutes to be organized maintained and easily accessible.

Recommendation:

We recommend that the clerk discontinue the practice of manually typing extensive billing and payroll information into the minutes. Rather, computer generated printouts should be attached and filed with the minutes.

Licensing

The township issues liquor licenses under the authority of N.J.S.A. 33:1-1 and Chapter 5 of the code. The municipal clerk is responsible for issuing all annual liquor license renewals, which totaled 17 in 1999. The township issues 14 plenary retail consumption (bar or restaurant) licenses, one of which has a broad package privilege (can sell package goods). In addition, there are two club licenses and one plenary retail distribution (liquor store) license. The township code governing liquor licenses was last amended in 1975.

The township charges \$288 for each liquor store license; \$350 for each bar license; and \$72 each for the club licenses. N.J.S.A. 33:1-1 et. seq. allows a municipality to charge up to \$2,000 for every plenary retail consumption or plenary retail distribution license and \$150 for each club license. Seven of the 15 municipalities in Gloucester County that issue plenary retail consumption licenses are currently charging the maximum allowable by law. A municipality may increase their liquor license fees by ordinance up to the maximum allowed in the statute at a rate of no more than 20% per year, or \$500, whichever is less. If the township were to increase the fees until they all reached their allowable limit, revenue from the sale of liquor licenses would increase \$105,000 over the next ten years. The chart below illustrates the revenue increase that would result from increasing the fees on only the 13 plenary retail consumption

licenses without the broad package privilege that the township now issues. An additional \$11,180 could be raised over this period if the township also raised the distribution and club licenses to their maximum.

**Liquor License Fees - Franklin Township
Plenary Retail Consumption Only**

Year	Current Fees	Proposed Fees	Revenue Increase	Total Revenue
1	\$350	\$420	\$910	\$910
2	\$350	\$504	\$2,002	\$2,912
3	\$350	\$605	\$3,312	\$6,224
4	\$350	\$726	\$4,885	\$11,109
5	\$350	\$871	\$6,772	\$17,881
6	\$350	\$1,045	\$9,036	\$26,917
7	\$350	\$1,254	\$11,753	\$38,671
8	\$350	\$1,505	\$15,014	\$53,685
9	\$350	\$1,806	\$18,927	\$72,612
10	\$350	\$2,000	\$21,450	\$94,062

Recommendation:

We recommend that Franklin Township increase their liquor license fees to the maximum allowed by law.

Revenue Enhancement Over 10 Years: \$105,242

Aside from liquor licenses, the township code contains a variety of other licenses that the clerk's office issues individually and requires an approval by the township committee. These include such things as dancing and recreation licenses, pet shop licenses, rooming house licenses, etc. The township no longer issues many of these licenses. Others, including the food establishment license, are issued without any inspection or other regulatory compliance reason. The process for issuing and re-issuing these licenses involves the yearly completion of an application and correspondence between the municipal clerk and the licensee. The process has become more of a rote process than serving any regulatory interest. The clerk queries each current license holder regarding their intent to re-apply, sees that each interested party completes an application, presents the applications to the committee for approval and then contacts the applicant for the proper fee. Records indicate that many license applications are not submitted at the designated renewal time, but, rather, they are submitted throughout the year. This lack of continuity adds to the burdensome nature of the process.

Many other towns have consolidated a variety of licenses into a mercantile license. Such a license assists the municipality to know what the nature of the business is on the premises; which the business owners are; and how one can contact them in case of a complaint or emergent condition. The committee may wish to retain some separate licenses for selected types of businesses such as trailer parks or junkyards due to the special regulatory issues certain businesses generate.

Recommendation:

Licensing requirements that do not serve a regulatory purpose should be repealed. The committee may wish to consolidate other licenses for businesses that do not present special regulatory concerns under a single “mercantile license.” Sample mercantile ordinances are available from the New Jersey League of Municipalities.

Dog licensing is discussed in the animal control section of this report.

Mobile Home Parks

Franklin has two mobile home parks, one contains 50 residences, and the other has 47. Because mobile homes are considered personal property and not real estate, the township does not include the value of the mobile homes in the assessed value of the property on which the mobile home are located. Mobile home residents do receive most municipal and school services such as police, trash collection, fire, EMS, elementary and secondary education. They do not receive road maintenance and snow removal services because the mobile park roads are private roadways. Franklin Township currently licenses mobile home parks and charges an annual fee of \$5 per site. Other municipalities with which the team is familiar have imposed a municipal service fee for mobile homes to compensate the municipality for services provided that would be included in the taxes charged if the mobile home were considered real estate. Those interviewed suggested the average price for mobile homes in Franklin was approximately \$9,000. We computed a hypothetical 1999 tax bill for a \$9,000 trailer at 100% of the market value to be \$53.01 for local purpose and \$56.79 for schools. If Franklin were to raise its mobile home licensing fee to \$25 per year, it would realize an increase in revenue of \$1,940.

Recommendation:

We recommend the township increase the mobile home site license fee to compensate the township for services provided.

Revenue Enhancement: \$1,940

Vital Statistics

The clerk is also the registrar of vital statistics for the township. The township issues marriage licenses, marriage certificates, certificates of birth and certificates of death through the clerk's office. During 1999, the office issued an average of less than 1.5 transactions per day.

There are no hospitals or funeral homes located in Franklin Township. Accordingly, there is a lower demand for birth and death certificates in Franklin than in communities that have such facilities.

General Observations

The employees in the clerk's office report they are not as computer literate as they wish to be. This, added to the absence of a computer network in the office, gives rise to inefficiencies. One example noted in the section on meeting minutes is the need to physically transfer minutes from the clerk to the deputy clerk on a diskette. Another example involves dog licenses. The sale of

over 3,100 dog licenses is a time consuming process that is further exacerbated by having one employee perform the daily sales and postings while another employee prepares the monthly reports. The clerk and the deputy clerk both report dissatisfaction with the dog license software, while the individual operating the dog license software is quite satisfied with it. We believe the dissatisfaction is related to unfamiliarity with the software capabilities.

We feel that with additional computer training and networking the existing computers the permanent staff in the clerk's office could accomplish all the daily activities of the office, including dog licensing, without the need for the "floater." We compute a productivity enhancement based on ½ of the floater's gross salary. We have identified a number of offices in this report that could use this staff time effectively.

Recommendation:

We recommend that both the clerk and the deputy clerk receive additional computer training. Additionally, we recommend all PC's in the office be networked. Further, a terminal should be installed at the window so that licensing and other public functions could be handled at the counter.

**One-time Value Added Expense: \$3,500
Productivity Enhancement: \$11,137**

Ethics

The Local Government Ethics Law (N.J.S.A. 40A:22.1 et. seq.) requires certain officials to annually file a financial disclosure form by April 30. In addition, it provides that the New Jersey Local Finance Board investigates ethics complaints unless a municipality elects to establish a local ethics committee. Franklin Township has chosen not to establish a local ethics committee.

N.J.S.A. 40A:9-22.3g specifies which officials are to file a disclosure form. Additionally, the attorney general has issued various opinions concerning the type of positions that are "local government officers." Failure to file is a violation of the law, and may result in enforcement action by the Local Finance Board.

Once completed, the township sends one copy to the Local Finance Board and the other is filed in the municipal clerk's office. Our review showed the clerk does have the forms on file. A review of the forms shows that a majority of the forms are photocopies without original signatures. Many of the forms are dated incorrectly and there was no master list to establish who was to file a form and who had correctly done so.

Recommendation:

We recommend that the clerk develop a master list of all officials who are required to submit financial disclosure forms and that the list be used as a control each year to insure that everyone on the list complies. Further, the clerk should review each form submitted for completeness and return incomplete forms for correction. The clerk should date-stamp completed forms when received.

Training

Municipal clerks are required to maintain their certification by participating in a certification renewal program through the Department of Community Affairs. The program requires municipal clerks to take 20 hours of approved continuing education over a two-year period. Both the clerk and the deputy clerk have fulfilled the requirements of the program and have received their re-certification.

Public Notices

One of the duties of the clerk is to provide public notices as required by law. A number of contracts awarded by the governing body are professional service contracts with attorneys, engineers, auditors, etc. N.J.S.A. 40A:11-5 provides that in the case of professional services contracts not subject to competitive bidding, the governing body shall state supporting reasons for its action in a resolution awarding each contract. Thereafter, the township shall advertise a notice of the contract award in the official newspaper. The notice shall state the nature, duration, service and amount of the contract, and inform the public that the resolution and contract are on file and available for public inspection in the office of the clerk.

Our review of the records showed that many of the resolutions, contracts and advertisements did not contain any reference to the amount of the contract. Some showed a minimal retainer and then referred to additional work on an hourly fee basis using language such as "...fees predominant in the legal profession of the County of Gloucester..." without specifying what the fees actually would be.

Recommendation:

We recommend that all professional service contracts contain fixed amounts or a schedule of fees for services. Further, the advertising for such contracts should meet the requirements set forth in N.J.S.A. 40A:11-5.

The clerk's office is often the first line of contact when the public seeks information. The clerk has a written policy and request form that the clerk uses when one requests information under the Public Right to Know Law. The form allows for an authorization signature that authorizes the release of information that may be protected under one or more of the exemptions to the law. Having such a form provides additional assurance that one does not release records that are not public.

The Open Public Meeting Act specifies which subject matters the committee may discuss in closed session and the procedures for going into closed session. One such exemption deals with matters of privacy, commonly called the "personnel exemption." Municipal officials may exclude the public from discussion regarding personnel matters. However, any prospective or current officer, employee or appointee whose rights could be adversely affected may request in writing that such matter or matters be discussed at a public meeting (N.J.S.A. 10:4-12(8)). Commonly called a "Rice Notice," it is the responsibility of the governing body to notify such individuals of their right to have the discussions held in public. The staff in the clerk's office was not familiar with this requirement.

We commend the township for having a written policy regarding the dissemination of public information.

Recommendation:

We recommend that the municipal attorney and the clerk develop a procedure for issuing Rice Notices in the future.

FINANCIAL ADMINISTRATION

The township employs a full-time chief financial officer (CFO). Other than periodic assistance with some clerical functions, the CFO is responsible for maintaining the purchasing system, serves as the purchasing officer, prepares payments to vendors, signs disbursement checks, prepares payroll, and signs payroll checks. Additionally, the CFO reconciles all bank accounts, except the court accounts. The CFO also works on budget preparation and assists in the general administration of the township, particularly in the area of personnel and benefits.

The CFO obtained her certificate as a certified municipal finance officer in 1995, and has completed the continuing education requirements to renew the certificate.

During 1999, the township expended \$41,890 in salary and wages and \$55,990 in other expenses for the finance office. The fully loaded wage costs were \$50,480.

Internal Controls and Continuity of Operations

Internal controls are the system of segregating various financial operations among different individuals such that errors are revealed promptly, allowing corrective action. Internal controls afford protection against loss to the township generally and provide significant protection to employees against allegations of mishandling township assets.

Due to the limited staff, and the absence of cross training for vital functions, the township has significant shortcomings in its internal control system. Additionally, the unanticipated absence of key staff will result in serious continuity problems for many governmental operations. Nothing in our review suggested any wrongdoing occurred or errors had gone unrevealed. We believe that, with appropriate segregation of the financial duties among the existing staff, a reasonable degree of internal controls can be established to protect the township and staff.

We were particularly concerned that no person other than the CFO was able to prepare the payroll. Accordingly, the CFO has arranged her vacation time and other time off around the payroll schedule. Some individuals interviewed on this subject felt that in the event the CFO was absent and not able to process a payroll, the firm contracted to produce the payroll checks could provide emergency assistance until a new staff person could be trained. We disagree. The service firm's expertise includes operating their software and processing the information provided to the firm. Accordingly, while they could provide training for township staff, they would not have staff available to collect payroll information from the township departments,

review that information for accuracy and enter the information into the system. We feel strongly that the township should make the cross training of another individual in payroll a high priority. Such training should include completing all payroll operations, including monthly and quarterly reports to other agencies. Once trained, the alternate payroll person should alternate preparing payroll and payroll reports with the CFO to assure both individuals stay up to date.

We recognize that to accomplish both of these recommendations the township will need to reassign existing staff duties. The team's extended contact with the staff leads us to believe several dedicated, capable employees would welcome new challenges. We also believe sufficient staff time exists within the town hall staff to accommodate reassignments. We have identified some opportunities to better use existing staff time in other sections of this report. Accordingly, we conclude restructuring financial and payroll duties can be done without additional staff. Obviously, training time will be needed; however, we have not attempted to quantify the time needed.

Recommendation:

We recommend the township request the township auditor to assist in establishing an appropriate system of internal controls, verify said system is placed in operation, and more closely monitor the internal controls in the annual audit.

We recommend the township immediately cross train another staff person to prepare payroll and payroll reports.

Finance Office

Over the past decade the CFO/treasurer position has evolved in Franklin. At one time the administrator was also the treasurer, with assistance provided by the office staff. As a result of growing complexity in both the administrator and treasurer positions, the township separated the administrator functions from the CFO/treasurer functions, making both full-time positions in 1995. The current CFO was appointed to the new full-time position in 1995 after having served in the administrator's office performing many of the treasurer functions for several years.

Unfortunately, due to space constraints, while the CFO/treasurer functions were separated from the administrator position, the CFO was not physically relocated to another office. Accordingly, the CFO is located in the administrator's outer office together with the administrator's secretary. This has created a crowded workspace with many interruptions.

We recognize the township is operating under space limitations, and many officials interviewed noted that the office space in town hall was not designed for its current function and is in need of remodeling. Anticipating the neighboring library's move into the planned community center, we trust the current library building can be used for selected municipal departments, creating more space for those offices that need it. We encourage the township committee to review the staff space needs and plan accordingly. At the time reorganizing the workspace becomes a reality we feel the CFO/treasurer should be given more adequate office space.

Cash Management

The team analyzed the management of the township's cash balances. According to the chief financial officer (CFO), the township maintained its primary banking relationship with a local nationally chartered bank. According to the CFO, the bank is not charging any fees for banking services provided to the township. The bank statements reflect credits for "administrator fees" each month.

The Local Fiscal Affairs Law (N.J.S.A. 40A:5-1 et. seq.) requires that each municipality adopt a cash management plan listing the approved depositories, approved investment instruments, and general investment practices. As of our fieldwork, the township committee had not adopted a cash management plan. A model plan is available from the New Jersey Division of Local Government Services and can be readily adapted to the needs of the township.

Recommendation:

We recommend the township committee and CFO act promptly to comply with the Local Fiscal Affairs Law.

The township does not maintain a relationship with the New Jersey Cash Management Fund (NJCMF), a public funds investment division of the State Treasury. The NJCMF is an investment tool for idle funds, but does not provide bank services such as check processing. Township cash balances are routinely invested in certificates-of-deposit (CDs) which are competitively quoted among area banks.

The rates obtained on the township's CD's are somewhat competitive when compared to the rates offered by the NJCMF and the three-month treasury-bill rate. While the township has obtained competitive rates for its CDs, we note that CDs typically require a fixed term, with unattractive options for early redemption. Accordingly, one must take the time to evaluate the upcoming cash needs and time investments accordingly. Additionally, one must reserve some funds for unexpected cash requirements. The NJCMF provides greater liquidity. Redeemed funds are generally available in one business day, reducing the amount of time required for completing CD transactions and timing investments, as well as eliminating the need for a cash flow reserve.

The team performed an analysis of the various operating bank accounts. Our analysis compares the interest actually earned by the township from January through December, 1998, to the earnings that would have been achieved in the NJCMF and the three month treasury bill. The analysis was complicated by the fact that the township has not taken advantage of a common banking service called an account analysis. The bank account analysis, if requested, is provided with each month's bank statement. It shows the various charges, compensating balances, and the average daily balances. Accordingly, without an account analysis, we used the month ending balances from the statements. Using the month ending balances is not as accurate as an average daily balance in computing potential earnings.

The team's analysis shows that had the aggregate month end balances (ranging from \$782,931 to \$4,173,481 and averaging \$2,673,036 per month) been invested in the NJCMF the township would have earned an additional \$35,624 over what was earned in the operating bank account. Investing in T-bills would have provided \$30,282 in additional income. We recognize that the NJCMF may not always provide the most competitive investment.

Recommendation:

We recommend the chief financial officer request each bank to provide a monthly account analysis, and establish an account relationship with the NJCMF.

We recommend the township competitively invest all balances in excess of those required for banking services.

Revenue Enhancement: \$35,624

Debt Service

As of December 31, 1999, the township had no outstanding serial bonds. The township had \$2,696,015 in notes (short-term debt of one year or less) outstanding. In addition to the issued debt, the township has \$90,304 in debt authorized but not issued.

New Jersey law restricts general obligation municipal debt (that which is to be paid by taxpayers) to 3½% of the three year average aggregate assessed value of the municipality. This formula ties the amount of debt municipalities can incur to the amount of taxable property in the municipality. Bonds issued for self-liquidating purposes, where user fees are paying all the costs, are not counted in this calculation.

As of December, 1999, the township had a debt to assessed value ratio of 0.48%.

At the time of our fieldwork, the township committee was considering a new bond ordinance for the construction of a senior center/community center/library in addition to the more routine capital improvements. We understand the new building will result in bonding approximately \$2 million.

Because the township has no long- term debt, the financial rating firms do not maintain a rating on Franklin Township.

We commend the township for maintaining a low debt ratio.

PERSONNEL

In 1992, the township adopted a comprehensive personnel policy covering the hiring, promotion, and discipline of employees. The policy includes statements on harassment and drug testing for those with commercial driver's licenses, and employee evaluations. A review of the personnel files shows that periodic evaluations were conducted with employees generally, and disciplinary

action is taken as necessary. Evidence of general training regarding harassment and specialized training in the employee's work area was also contained in the file. The township has also adopted a comprehensive set of job descriptions for each position in the township. The job descriptions are valuable both in identifying qualifications for hiring, promotion, and disciplinary reasons. In addition, quality job descriptions will serve the township with regards to the Americans with Disabilities Act and workers compensation.

Those interviewed did not recall a review of the policies or job descriptions since they were adopted. Due to the changing nature of personnel issues and laws, it is important for any employer to periodically review the existing policies for areas that may need clarification or other amendments. Accordingly, we encourage the township to periodically review both the personnel rules and job descriptions and revise them as needed.

The township had not established an employee assistance program (EAP) for employees. Such programs are designed to supervise the treatment and rehabilitation of employees that fail drug or alcohol screening tests. Such programs are often valuable for other employees as a resource for personal issues that are not work-related, but may be distracting to their work. The team believes access to an EAP is required by the regulations establishing drug and alcohol testing those holding a commercial driver license. We estimate the cost of an EAP program at \$10 per year per employee; or approximately \$1,200.

All full-time employees appear to be covered by the appropriate state pension program.

PAYROLL PROCESSING

The payroll runs on a biweekly cycle. The timekeeping is highly automated with employees clocking in and out with using an electronic timekeeping system that streamlines the calculations necessary to determine time worked. The CFO processes the information and forwards the relevant information electronically to the payroll service firm. Subsequently, the checks and accompanying reports are prepared and delivered to the township. The CFO validates the reports and prepares the checks for distribution.

The township has been using the same payroll service firm for several years and is very pleased with the services provided and relative fee schedule.

The service package includes the preparation of an estimated 200 to 250 checks per month in addition to tax reports and other companion services. The average cost per check for these services is approximately \$1.80. LGBR has found comparable payroll services costing between \$2.50 and \$3.00. The LGBR team encourages the township to solicit proposals periodically to confirm the service continues to be cost effective.

Direct Deposit

The payroll service firm provides for direct deposit of the taxes and contributions to the state and federal agencies after the township payroll staff has reviewed and approved the information. In addition, employees can opt to have their payroll check on direct deposit. There are approximately 50% of the township employees, using direct deposit.

There are many advantages to direct deposit for both employees and the township:

- reduces check printing;
- increases security;
- expedites bank reconciliation process;
- reduces stop payments;
- saves employee time; and
- employee benefits from the participating bank such as free regular checking; free Automated Teller Machine (ATM) Cards; discount on loan and mortgage rates.

The efficiencies and security provided to the township both in reconciling the payroll account and avoiding the stop payment and re-issuance of lost or mutilated checks will increase if direct deposit is mandatory for all employees. Requiring new employees to enroll in direct deposit is an initial step.

Recommendation:

The LGBR team recommends that the township require that new employees enroll in the direct deposit feature.

Timekeeping

Timekeeping is generally automated for all departments except the police department. All employees other than department heads and the police have electronic timecards that are used to “clock in” and “clock out” each day. Vacation, sick, or other time off is posted to the timekeeping software each pay period.

The police clerical staff use a mechanical clock and traditional time cards. Police officers use manual timesheets to record time worked. The staff in the police department is responsible for compiling and tracking leave time and reporting to the payroll office. Since this is the largest work group and has a variety of position levels, including sworn officers and civilians working a variety of shift patterns, the scope of the timekeeping function is more involved.

There are three time clocks installed at various locations:

- inside the public works facility office – this clock is used exclusively by the Public Works Department;
- in the police department – this clock is for the police clerical staff; and
- on the main floor of the town hall – all the personnel that were not previously mentioned use this time clock.

All timesheets and timecards have to be approved and signed by every department head. The police department uses various forms and worksheets that were developed by the timekeepers to assist them with the recording, monitoring and reporting of time worked as well as leave balances. The timekeeping and payroll information is subject to an annual audit.

The absence of a qualified backup person for the payroll is a significant shortcoming in the township. We discuss this subject further in the financial administration section of this report.

INSURANCE

The township has purchased commercially available insurance through a local insurance broker. The policies include coverage for general liability, property, auto property and liability, contractor's equipment, police liability, and workers' compensation. The township also carries workers compensation for the volunteer firefighters. The broker reports he has solicited various insurers for quotation on the various lines of insurance, and while not always successful in getting competitive quotes, he feels the insurance package is fairly priced. In 1999, the township spent \$331,935 on workers' compensation and other insurance including property, auto, liability, and police liability. All the firms providing coverage to the township are licensed to do business in New Jersey.

State law requires volunteer firefighters and EMS members to be covered by the workers' compensation through a local government agency. The team's experience in towns with fire districts is that the fire district is the agency that typically procures the workers comp coverage for its volunteers together with its other liability coverage. Notably, fire service injuries have been a very significant portion of Franklin's experience for workers' compensation. The township is not allocating the cost of firefighter workers' compensation insurance to the fire districts. Accordingly, while having the township procure workers' compensation coverage for all five fire districts may be a useful means to purchase a policy on an cooperative basis, the principal that the insured agency have an economic incentive to prevent and control losses is lost. In addition, because the township is purchasing volunteer's workers' compensation for the fire districts, the New Jersey Workers' Compensation Rating bureau of the Department of Labor has based the experience modification for both the township and fire district experience. The experience rating affecting the year 2000 premiums is 1.27, reflecting greater claim experience than expected. We recognize that reallocating the cost will shift the budgetary responsibility without necessarily reducing the total tax bill, however we feel safety and loss prevention will benefit if the agency experiencing claims is responsible for paying for the insurance.

According to those interviewed, several years ago the township's carrier for workers' compensation (and other property and casualty coverage) declined to renew the township due to the significant experience of the volunteer population. In order to maintain the policies with the carrier in a market with limited alternatives, the township separated the volunteers into a separate policy covered through a firm mandated by the State of New Jersey to provide workers' compensation coverage. As a result, the volunteers' coverage has been provided through a separate policy.

Recommendation:

We recommend the township allocate the cost of workers compensation to the various fire districts.

The team also reviewed the township's claim experience for auto and general liability. The nature of the claims and claim reserves appeared unremarkable.

Claim information regarding the police professional coverage was not available, however, the broker reported while the township had activity for police related claims, they were being defended and did not appear to relate to deficiencies in police operations.

Those interviewed reported that Franklin had attempted to join the Trico Joint Insurance Fund several years ago. Reportedly, Franklin was not viewed as a desirable risk for the JIF, and the JIF declined to accept Franklin as a member. JIFs have provided many New Jersey municipalities greater insurance market stability, and in many cases, improved coverage. Many municipalities have also experienced the cost of additional administrative time directed toward establishing acceptable internal policies and procedures and loss control efforts. The team experience is that the net result of joining a JIF is beneficial to the municipality by providing stable premiums and lower experience through loss control. Additionally, aggressive defense of frivolous claims that commercial insurers may settle on an economic basis has reduced the total number of claims received in municipalities with which the team is familiar. We encourage the township to review the reason Trico declined to admit the township. If corrective measures have been taken, the township should consider reapplying for JIF membership either with Trico or another JIF.

Safety Committee

The township has established a safety committee and designated a safety officer in each department. The safety officer is responsible for the implementation of training relevant to the activities in each department. The committee is headed by the township administrator and had been meeting quarterly. Due to recent turnover in the administrator position the committee has not met in 2000. We understand the safety committee membership includes each municipal department. Should the township continue to retain the fire district and EMS workers' compensation, we feel it would be beneficial to have the fire organizations represented as well.

Safety committees have often proven to be an effective means for organizations to learn from their own accidents and those experienced by other jurisdictions. The United States Occupational Health and Safety Administration notes that safety programs are generally more successful when a sincere effort is made to include the members of the workforce in safety committees.

Health Benefits

The township purchases commercial health benefits insurance for its eligible employees through a local broker.

The following table reflects 1999 expenditures for major medical/hospitalization and compares those to the State Health Benefits Plan (SHBP) rates in effect through 1999. The figures shown under the township plan are based on costs and coverage categories taken from actual billing for June, 1999. These figures were then extrapolated to estimate a yearly cost to the township. The totals shown are indicative of the group subscribers covered under the township's health benefit plans in 1999. All subscribers were included in one of two HMO's. According to those interviewed, the township was in the process of consolidating all employees under the AmeriHealth plan. The chart below shows that the State AmeriHealth HMO plan would have saved \$38,191 in 1999. Had the township provided the State PPO instead, the township would have saved \$48,167. Towns that offer a PPO option have found 90% of their group migrating to the PPO voluntarily. Accordingly, one may reasonably expect a significant migration in the Franklin group. We have not attempted to estimate the savings that may occur above the \$38,191.

	MONTHLY RATES PLANS OFFERED BY FRANKLIN TOWNSHIP		MONTHLY RATES NEW JERSEY STATE HEALTH BENEFITS PLAN 1999* RATES W/O PRESCRIPTION COVERAGE	
Category	Aetna/US Health HMO	AmeriHealth HMO	Preferred Provider Organization (PPO)	AmeriHealth (HMO)
Single	\$234 x 12 months x 3 employees = \$8,424	\$198.56 x 12 months x 14 employees = \$33,359	\$175.12 x 12 months x 17 employees = \$35,725	\$194.16 x 12 months x 17 employees = \$19,209
Member/ Spouse	\$471.30 x 12 months x 5 = \$2,323	\$417 x 12 months x 9 = \$45,036	\$389.77 x 12 months x 14 employees = \$65,482	\$432.12 x 12 months x 14 employees = \$72,597
Family	\$696.40 x 12 x 2 = \$16,714	\$586.74 x 12 x 21 = \$147,859	\$453.51 x 12 x 23 = \$125,169	\$503.02 x 12 x 23 = \$138,834
Parent/Child	\$429.80 x 12 x 2 = \$10,316	\$351.47 x 12 x 15 = \$63,265	\$258.59 x 12 x 17 = \$52,753	\$286.59 x 12 x 17 = \$58,465
**Total Premium	\$37,777	\$289,519		
	TOTAL COST TOWNSHIP PLAN \$327,296		TOTAL COST STATE PPO PLAN \$279,129	TOTAL COST STATE AmeriHealth HMO \$289,105

*SHBP rates are 1999/00 published rates.

We understand that there may be differences between the coverage under the two plans, however considering that the policies are provided by the same firm, we believe any differences will not present an insurmountable obstacle to changing insurers.

Recommendation:

We recommend that the township consider obtaining health benefits coverage from the NJSHBP.

Cost Savings: \$38,191

The township offers an opt-out program for employees. An employee electing to not take health benefits coverage receives a cash payment of 50% of the premium that would have been paid by the township. Some municipalities that have not structured opt-out programs to properly limit participation by those whose spouses are also employed and covered by the township have only marginally reduced the premium expense while bearing the full impact of any claims from the covered employees. While the team is not aware of this circumstance affecting Franklin, the current policy does not appear to limit this possibility.

PUBLIC ASSISTANCE

The Franklin Township Welfare Department administers public assistance to adults without dependent children. State regulations require the local welfare office to refer individuals with dependent children to the county welfare department. A Local Assistance Board (LAB) oversees the operation of the department. The board meets four times per year. The township employs a part-time welfare director. The 1999 salary and wage expenses were \$5,246. The fully loaded wage costs were \$5,647. The other expenses for welfare were in the administration budget, and consisted of incidental office supplies. The other expense figure does not include benefits paid to clients, as the state provides these funds for distribution by the municipality.

General

The welfare director has regular office hours Mondays each week from 4:30 p.m. to 6:00 p.m. The director is available at other times on an appointment basis. Emergencies at night and on weekends are handled as needed. Those needing emergency assistance can contact the welfare staff via the police department. The director reports that call-outs occur periodically, but the township experienced very little activity related to transients.

The monthly caseload for 1999 averaged 11. The director reports that the caseload for 1998 was similar. The general assistance monthly activity report provided to the team by the director indicates that 38% of these cases were employable persons. The rest were not employable due to temporary or permanent disabilities, or suspended from receiving benefits.

On average, 1.9 new cases were opened each month, with the overwhelming majority applying for benefits due to unemployment and pending Federal Supplemental Security Income benefits. Other reasons recorded were typically physical or mental disability. An average of 1.3 cases were closed each month for various reasons such as reemployment and receipt of other aid.

The director does case screening and follow up in the office. Fieldwork to verify clients are not working is done by the director as needed, and consists primarily of informal surveillance while traveling in the township.

The director also handles a number of social service activities beyond public assistance, including a food pantry, housing referrals, county welfare information, and information on emergency heat assistance, social security, and senior services.

Financial

The LAB has three accounts through which public assistance funds are received and disbursed. These accounts are public assistance trust account (PATF), PATF I and PATF II. Historically, the LAB disbursed funds and collected reimbursements through the PATF account. About six years ago, the LAB created the PATF I and II accounts. The LAB established these accounts at the direction of the Department of Human Services approximately six years ago when the state began reimbursing municipalities for 100% of public assistance. Previously, the state and the municipality shared the cost of assistance. In order to facilitate the transition, the PATF II account was established to handle reimbursements under the new funding arrangement. Franklin's LAB created a new PATF I account rather than rename the PATF to handle reimbursements for cases being handled under the old funding arrangement.

As expected, the PATF and PATF I accounts have become increasingly dormant over time. The recent activity on the PATF I bank statement relates to interest income. As of November, 1999, the PATF I account balance was \$10,191. The PATF account balance was \$667. The PATF account (#1951433) was not listed in the township's annual financial statement.

The welfare office does not operate a petty cash fund. The director disburses all funds by a two-signature check.

Recommendation:

We recommend that the LAB seek approval from the New Jersey Department of Health and Human Services to transfer the PATF and PATF I account balance to the township's current fund, and close the PATF I account.

One-time Revenue Enhancement: \$10,858

Consolidation

In March, 1997, the State enacted PL 1997, c.37, commonly known as the Work First New Jersey General Assistance Program. This legislation redesigned the welfare system in New Jersey by focusing on personal responsibility and self-sufficiency. Assistance is still provided to those in need, but only for limited periods of time while individuals seek work and become self sufficient.

The legislation mandated the consolidation of municipal welfare departments into each county welfare department during 1998, unless the municipal governing body affirmatively acted to retain the welfare program. In December, 1997, the township committee adopted a resolution to retain welfare as a municipal function.

Those interviewed expressed concerns that the level of service provided by the county welfare office was not adequate and that public transportation to the county offices was inadequate. In addition, some expressed the opinion that local management seemed to return public assistance clients to self-sufficiency more quickly.

The team contacted the Gloucester County Director of Welfare who is responsible for the integration of the municipal welfare clients into the county system. We recognize the Franklin welfare director and the county director are related individuals. We do not believe that fact compromises the information collected for this report.

The county director reported that the county welfare office is servicing all but three of the municipalities in the county. The largest municipality they had consolidated was Monroe, consisting of approximately 120-150 cases. The county director also noted that approximately two-thirds of the municipal welfare clients are already county clients for purposes of receiving food stamps. The county social workers have caseloads of about 275 each, consisting of a mix of general assistance (GA), temporary assistance to needy families (TANF), and food stamp clients.

The county reviews client eligibility on intake, and staff social workers identify client barriers to successfully getting off welfare. The coordinator felt that while a municipal welfare staff may have better knowledge about an individual's personal history, the county staff may have a better total picture of the client needs and resources available.

The county director was confident that the county staff could properly handle 11 additional clients. She anticipates the impact will be less than expected because they are already seeing most of the individuals for food stamp benefits. The team noted that a New Jersey Transit bus operates on Delsea Drive to Woodbury providing transportation to Franklin residents. The county provides bus passes to clients when appropriate.

The director reported that all emergency cases (persons needing food and/or shelter) are handled immediately.

Applicants not eligible for GA, but who are in need of assistance are referred to other social service agencies in the county. Among them is the Comprehensive Emergency Assistance System (CEAS), a State funded program that was designed to assist non-GA eligible with heating fuel, or utility bills.

Recommendation:

We recommend the township committee reconsider its earlier decision to retain the welfare operation. Consolidation with the county appears to be both a cost effective and qualitatively appropriate means to deliver welfare services. We compute the annual saving as the current cost of wages, benefits and other expenses. We believe the food assistance and other social services the welfare office is providing can be provided through existing organizations and agencies.

Cost Savings: \$5,647

PURCHASING

The purchasing process is a business function of each department in the township. The team reviewed the purchasing process in a variety of departments. As of the time of our review, the process consisted of a department head, or a designee, submitting a purchase requisition to the administrator. If approved, the CFO/purchasing officer types the information from the requisition into the finance computer system, verifies that the appropriate budget line has sufficient funds, prints and mails a purchase order. The CFO processes the requests once each week. Approximately 2,300 purchase orders are processed annually.

Purchasing Policies and Procedures

The Local Public Contracts Law (N.J.S.A. 40A:11-1 et. seq.) governs the purchasing of all goods and services by municipalities. Additional matters involving purchasing are regulated by N.J.A.C. 5:30-14.5. In addition, the township has a purchasing procedure memo and claims payment ordinance specifying policies and procedures specific to Franklin.

The departments/workgroups solicit bids and quotes wherever required, and cooperative purchasing contracts are used whenever advantageous to the township.

When the goods or services are delivered, the originating department verifies that the goods or services were received as ordered. Subsequently, the finance department prepares checks for payment and a bill list for approval by the township committee.

After bills are paid, the payment records are filed according to the meeting date at which the payment was approved. Accordingly, if one wishes to review transactions related to a vendor or a class of purchases such as office supplies, if one does not readily know the dates payment were approved, finding all the transactions is cumbersome. Many municipalities find filing payment records by vendor name is a more useful system. We recognize the computer system provides much of the needed information to those having access to it. We believe this revision to the hardcopy files will be a convenience to those that routinely request information from the finance office.

Recommendation:

We recommend the CFO organize the payment files according to vendor rather than chronologically.

Blanket Purchase Orders

A blanket purchase order establishes a “not to exceed amount” within a certain business period (e.g., one month) with a specific vendor. These transactions are used when the need for an item cannot be reasonably predicted or the cost does not warrant keeping an inventory.

In Franklin Township, blanket purchase orders are used with discretion. Those interviewed reported open purchase orders (those without dollar or time limits) were not used. Our review noted no PO’s issued without dollar limitations and few that did not have time limits.

Emergency Purchases

An emergency purchase is authorized when the immediate delivery of a good(s) or service(s) is required to protect the public's health, safety and/or welfare.

The CFO or township administrator must approve these transactions. In the absence of the CFO and administrator, the department head assumes the responsibility and typically obtains the needed material and obtains an approval after the fact. In all cases a confirming PO is issued. Those interviewed noted that, at times, emergency purchases are a result of poor planning in the operating departments. Our review did not reveal inappropriate emergency purchases.

Purchase Consolidation

The departments/workgroups purchase independently and, with exceptions, orders are not consolidated. Items that are commonly used by all departments, such as office supplies and copy paper, are consolidated. Departments are permitted to order office supplies once each quarter. This system permits the purchasing official to consolidate an order for most office supplies. Copy paper is ordered cooperatively with the local schools affording economies of scale. The township participates in the state cooperative purchasing system and the Gloucester County Purchasing Cooperative when advantageous to the township. The departments/workgroups appear to understand the purchasing system and are satisfied with the vendors and services.

The township does not have an account with the State Distribution and Support Services Center (DSS) where office supplies and other commodities can be purchased at discounted prices. The State DSS staff reports savings range from 30% to 50% off of conventional retail purchasing. DSS also provides extensive quality control testing for products offered.

Recommendation:

The LGBR team recommends the township establish an account with the State DSS and encourages the township to consolidate common supply items and to obtain price quotes from DSS when purchasing supplies.

Budgetary Accounting and Purchase Order System

The municipality uses budgetary accounting and purchase order software supplied by a computer vendor specializing in municipal accounting. Once a purchase order is entered into the system, the system monitors all purchasing related financial data and activities. At the time of our fieldwork, the township had only been with the vendor several months. Only the finance department has access to the system for making inquiries. Future plans include providing a network to allow all departments access to their budgetary records.

The system generates reports on expenditures, encumbrances, appropriations, account balances and open purchase orders.

The computer vendor reports that an automated purchase order software package is available which allows those preparing the requisition to do so on a computer. Thereafter, the verification and encumbrance of accounts and the CFO and administrator authorizations can be done on-

screen. A purchase order would be printed once it was fully authorized and mailed or faxed. Such a system would eliminate the duplicate typing of the requisition information, and the time spent manually signing orders. The vendor reports the module costs \$3,000. The annual system support is between \$400 and \$500.

The CFO estimated that preparing POs through to the point of mailing occupies about one day per week. Accordingly, we estimate that automating the process will save four hours per week, or \$4,030 annually. We also believe that clerical staff should be assigned to prepare the POs for mailing. We believe the time saved will be more productively used by the CFO. We did not compute the productivity enhancements that would accrue from not having the CFO handling clerical functions.

Recommendation:

We recommend that purchase requisitions be prepared and processed electronically. This would eliminate the redundant processing that exists at the user level and in the finance department.

One-time Value Added Expense: \$3,000

Recurring Value Added Expense: \$500

Productivity Enhancement: \$4,030

Fixed Asset Inventory

The township maintains a system used to identify, record, and label all tangible property valued at \$300 or more.

The finance computer system includes a fixed asset module that prompts the staff to note fixed assets at the time purchase orders are prepared. Periodically, the CFO updates the fixed asset account for new acquisitions. The deletion of items is done at the time of a property auction or at the time of disposal. Approximately twice per year, each department is given a fixed asset inventory and asked to verify the list conforms to the physical assets in the department. The CFO reports the departments do inform her of wrong serial numbers and other details indicating the departments are reviewing the inventory. Additionally, the auditor is also spot checking the inventory against the physical assets.

The finance department generally affixes a label to the item(s) received. Where labels are impractical, such as with automobiles, the township records the serial number. One exception is computer equipment. The township does record serial numbers but does not label the equipment. We feel the computer equipment should be labeled.

It appears that fixed assets are accounted for in accordance with the directive issued by the Director of the Division of Local Government Services.

Recommendation:

We recommend that computer equipment be labeled as fixed assets.

ANIMAL CONTROL

Animal control is provided to the citizens of Franklin Township through a combination of three basic functions: licensing, animal control services and animal shelter services. The Gloucester County Animal Shelter (GCAS) provides both animal shelter and animal control services for Franklin Township. This is a regional service provided through the Gloucester County Board of Freeholders and paid for through the county budget. Gloucester County municipalities pay no additional fees for this service. The GCAS picks up stray animals Monday through Saturday, holidays excepted, and they respond to emergencies 24 hours per day.

The shelter staff reported that Franklin Township was one of their busiest communities, attributable primarily to its rural nature and the large number of cats found in the township. Below is a breakdown of the animals taken in from Franklin Township by the GCAS in 1999. Notably, exclusive of wildlife, cats made up 65% of the activity from Franklin Township.

Animals Received By GCAS From Franklin Township – 1999

Dogs Surrendered	126
Stray Dogs	189
Cats Surrendered	273
Stray Cats	321
Wildlife	184
TOTAL	1,093

N.J.S.A. 4:19-15-1 et. seq. requires that municipalities provide for the licensing of all dogs within the community. This includes the issuance of numbered tags, which correspond to each license sold. Franklin Township provides for the licensing and tagging of dogs through the clerk's office. This office also organizes and conducts a yearly dog clinic through which free rabies inoculations are made available to all eligible dogs. State statute also provides for the optional licensing of cats by a municipality. Franklin has not elected to license cats.

In the township licenses cost \$6.70 each for any dog spayed or neutered and \$9.70 for any dogs that are not spayed or neutered. The township retains \$5.50 for each license. The balance of the fee is remitted to the State of New Jersey to fund animal population control programs. N.J.S.A. 4:19-15.12 sets the limits that a municipality can charge for a dog license at \$1.50 to \$7.00 exclusive of any other charges such as late registration fees, animal population control fees, and pilot clinic fees. Accordingly, Franklin Township could raise dog license fees by \$1.50 to compensate the municipality for the costs of animal control.

Recommendation:

We recommend that dog license fees be increased to \$7.

Revenue Enhancement: \$4,748

State law also requires that a canvas of all dogs owned, kept or harbored within the municipality be conducted at least once every other year. The purpose of the canvass is to insure that all dogs are properly licensed and immunized against rabies. The township conducted its last survey in 1998. The survey was organized through the municipal clerk's office and was conducted by a team of part-time, summer employees. The team canvassed the entire township. The cost for the 1998 canvas was \$4,984.

In practice the canvassers issue "seven day" warnings to any citizen found to have an unlicensed dog. No further enforcement action was taken for those who received warnings and subsequently obtained a dog's license.

The issuance of a warning rather than a summons is a fairly common means of obtaining compliance while maintaining favorable public relations. The system used in Franklin appears to provide the owner administrative permission to be in violation of the ordinance. We suggest the township revise the method of issuing a warning to one where the owner is informed they are in violation of the ordinance and could receive a summons at any time. The canvasser could then suggest an official would return in seven days to review compliance. We feel revising the warning system will serve to avoid legal entanglements that result from an officer issuing summons to dog owners after a bite incident or other complaint during this seven day "grace period."

The American Veterinary Medical Association - Center for Information Management publishes data used to estimate the number of pets in a community. The data states that 31.6% of all households have dogs as pets and 27.3% of all households have cats as pets. Among the dog-owning households, there are 1.69 dogs per household. Among the cat-owning households, there are 2.19 cats per household. The team used these statistics to estimate that there are approximately 3,050 pet dogs and 3,400 pet cats in Franklin Township. Records indicate that 3,165 dog licenses were sold in 1999, indicating that the township's efforts at licensing its dog population are successful.

We commend the township for successfully enforcing its dog licensing regulations.

TAX COLLECTION

The office of municipal tax collection is currently organized with two full-time employees, the tax collector and an assistant administrative clerk. The tax collector is new to Franklin Township, having taken office in January, 2000. In 1999, the office had three employees, the collector, a senior clerk and a clerk. The gross salary for the office in 1999 was \$97,470, health benefits and social security brought the total employee position cost up to \$113,215. 1999 other expenses for the department totaled \$11,693.

The office maintains 7,700 tax line items. The township has no utility or special assessments. In addition to sending out regular tax bills, the office sends approximately 2,000 advice copies to property owners whose taxes are paid through a mortgage company. The firm that maintains the

computer software prints the tax bills, advisory bills and delinquent notices. Once printed, the bills, and their duplicates are sent to the tax office already burst and separated by bank code. Tax office staff checks the bills for accuracy, files the duplicates, and folds, stuffs and mails the bills and advice copies. Tax bills are mailed out annually in June or July and payments are received quarterly.

Office and Technology

The office takes advantage of available technology to process their tax bills. Bills are printed with bar codes that provide electronic information such as the block and lot of the parcel, ownership information and taxes due. When payment is made, the returned stub is scanned, the payment is compared to the amount due and, if no changes are required, the payment is recorded with the push of a button. The office is also equipped with a validator which, after the correct payment is posted, can be used to imprint, or validate, each bill and/or check with pertinent information such as the amount of payment, block and lot numbers, date paid, etc. The two desks closest to the front window are fitted with scanners and validators. Staff estimates that 60% to 70% of all tax payments are posted in this manner.

Mortgage companies provide batch payments for most of their clients. They send in a number of payment stubs accompanied by one payment for the total. The tax software allows the office staff to scan all of the stubs and then record the single, batch payment in one operation. This process cuts down on the time it takes to process individual checks. Some of the major mortgage companies will accept tax information on a floppy disk in lieu of separate tax bills. In return, they will send their payment back with the floppy disk so that the entire batch can be posted as a single transaction. This not only saves on printing and mailing individual tax bills, it saves on the time needed to handle and scan each bill. The software currently used by the tax office does not have these capabilities.

Records indicate that there are bank codes associated with 2,015 of the 7,700 line items. Accordingly, 5,685 of the taxable properties pay their taxes directly to the tax office. These individuals either mail in their taxes or pay in person. The staff reported that a very large number of taxpayers come in person to pay their taxes placing unusual operational demands on the office staff during tax quarters. The team observed the walk-in traffic associated with the second quarter tax payment of 2000. We found the walk-in traffic to be sporadic. During the times we observed, the walk-in taxpayers did not have to wait in a line to see the cashier. Upon inquiry, the staff reported that the volume of walk-in taxpayers anticipated had not materialized. The staff reported that a larger volume of walk-in traffic would occur during the third quarter when many in the farming community traditionally pay their taxes.

The office is not efficiently laid out to accommodate a large number of walk-in taxpayers. There is no computer terminal, validator, or scanner at the front window that would allow the staff to complete a transaction. Accordingly, the staff must address the customer at the window, return to their desk to retrieve records, return to the customer with information and then return to their desk to post the transaction. The process is cumbersome. Based on estimates obtained from the

computer vendor, equipping the counter with a personal computer, printer, scanner and validator would cost \$3,965. Remodeling the counter area is estimated to be an additional \$2,000. Relocating an existing scanner and validator may reduce the expense.

Recommendation:

We recommend that the tax office counter area be redesigned to accommodate two workstations, including cashier windows and cash drawers.

One-time Value Added Expense: \$5,965

The township is running two sets of software in the tax office. One is their original computer system and the other is a newer system that they plan to switch to completely. They also maintain a manual record system to access files prior to 1988. The transition to the new computer system has not been a smooth one. The staff is experiencing great difficulties with the new program. Some of the records that they need to access are only available from the old computer system and even the new system has a 'new' and 'old' section within the same program. The result is that the staff must continually switch between programs and, sometimes, between sections of the same program. The new program does not appear to be fully integrated. Some figures must be manually set in different sections of the program. The program reports do not provide totals showing the combined tax and interest in a given year. Accordingly, staff must add the numbers manually. This causes an unacceptable number of manual operations and leads to wasted time and staff frustration. The township has made several efforts to correct the problems with the vendor but none have been successful. As of the writing of this report, it the township appeared to be acting affirmatively to resolve the problems with the software provider.

Recommendation:

We recommend the township act expediently to resolve the software issues in the tax office.

The collection office and the tax assessor's office use the same municipal software packages. As a result, the offices are integrated and information such as name or address changes can be shared electronically by both offices. This integration with the assessor software is valuable to the township because the input of property record information does not have to be duplicated.

Staffing

Notably, the previous collector and senior administrative clerk retired at the end of 1999, leaving the assistant clerk to single handedly staff the office until a new collector was hired. Although the assistant clerk had worked in the tax office since 1996, she had not apparently been trained except in limited functions. The new tax collector is experienced as a tax collector, but only started in Franklin in early 2000. The collector and the clerk agree that the providing training to the clerk both on the job and through courses offered by the Department of Community Affairs leading to a tax collector certification is a priority.

LGBR has established a benchmark of one employee for every 3,300 accounts. Other well-run tax offices with which the team is familiar operate with approximately 4,000 accounts per staff person. We believe that with a properly functioning computer system and the anticipated modest growth in tax accounts as subdivisions occur the tax office should be staffed with an additional half-time employee scheduled to work primarily at tax quarters. We believe this can be accomplished with more appropriate use of the floater employee assigned to the clerk's office.

The committee had approved the hiring of an additional clerk for the tax office effective May, 2000. If this position is filled a full time position, we believe the office will be somewhat over staffed.

Recommendation:

The team recommends that staffing in the tax office be increased to 2½ employees by permanently assigning the “floater” to the tax collection office where she would be assigned out only as needed by other departments. Other sections in this report will address recommendations for utilization of the proposed new hire.

We encourage the township to properly train all office staff in tax collection procedures.

Collection Rate

Among suburban towns in New Jersey a tax collection rate of 95% is very common. The following is a comparison of the collection rates from 1994 to 1999:

1994	1995	1996	1997	1998	1999
89.72%	90.66%	90.46%	98.13%	98.41%	98.07%

Although the tax office has sent out quarterly delinquent notices in an effort to improve its collection rate, it appears the initiation of the accelerated tax sale prompted together with the publicity of the foreclosure proceedings prompted a sharp increase in collections.

Delinquent Taxes

Delinquent taxpayers have liens placed on the relevant property. Annually, these liens are offered for public sale. Traditionally, New Jersey municipalities were required to conduct the tax sale during the year after the taxes became delinquent. State law now permits the township to conduct an accelerated tax sale, where a municipality sells liens in the same year the delinquency occurs. The accelerated sale can improve cash flow and increases the budget surplus available for appropriation the following year.

An accelerated sale can have serious negative impacts after the following year. First, the extra income from an accelerated sale will be a one-time event in the first year. This is because the income from both the last regular tax sale and the first accelerated sale will not be forthcoming again in the subsequent year. If this one-time double sale income is used in the following year's budget, the municipality will need to replace the one time extra revenue the year after, probably through higher taxes.

Secondly, before the sale of liens, delinquent taxes earn interest income for the township. The township charges delinquent amounts up to \$1,500 interest at 8%. Delinquent amounts over \$1,500 have interest accruing at 18%. In addition, annual penalties of 6% at year-end accrue to the township. Were the township to sell liens on an accelerated basis, the interest after the sale would accrue to the lien holder. This revenue is equally hard to replace.

The financial impacts of the accelerated tax sale are more fully discussed in the general budgeting section of this report.

Overpayments

The tax office currently keeps a close watch on tax overpayments. Once an overpayment is identified, it is either applied to future taxes or refunded, by resolution, to the property owner. Staff reports that there are currently no tax overpayments that have not been disposed of in this manner. The team is familiar with many other municipalities where tax overpayment reconciliation is serious difficulties due to inattention.

We commend the staff for diligently handling tax overpayments.

Bank deposits for all departments are made through the tax office. Each department prepares their own deposits and places them in a bank bag, which is then taken to the tax office. When all the departments have turned over their deposits, the tax collection clerk takes them to the local bank, waits for the transactions to be completed, and then returns to the office where the various departments retrieve their bags and deposit slips. The process is time consuming and lacks security.

We commend the township for developing a centralized bank deposit system.

Recommendation:

We recommend that the collector work with the police department to improve the security of the deposit while in transit. Additionally, we recommend the deposit be left at the bank rather than waiting for processing and the validated deposit slips be retrieved the next day at the time the next deposit is dropped off. A duplicate set of bank bags or disposable bank bags can facilitate this system.

Liquidation of Tax Liens

The municipal treasury acquires any liens that are not sold during the tax sale. Foreclosure proceedings on these properties can begin after six months. Generally, it benefits for the municipality to foreclose and take ownership of the properties at the earliest possible date. By doing so, the municipality gains a parcel that may be sold and returned to the tax roles or made available for public use. In addition, foreclosure makes the property a tax exempt removing it from the tax roles and eliminating that property's impact on delinquent taxes and the reserve for uncollected taxes. The township received final judgements in December, 1999, on five foreclosures dating back to 1995. These foreclosures included 167 properties representing taxes

due in the amount of \$1,311,901, and cleared up a significant volume of township liens held for many years. The township holds liens on two other properties. One is in bankruptcy and the other has environmental impairments.

The municipal attorney receives compensation, apart from his retainer, for all foreclosure proceedings as specified in his professional service contract. The billing for foreclosure work is not segregated in a fashion that would support analysis of foreclosure costs. As a result, the team was unable to determine what the township pays for each item of foreclosure. The team has found other municipalities in the area that pay \$225 to \$235 per item in a foreclosure.

The team commends the township for taking an aggressive role in foreclosing delinquent properties and encourages the township to foreclose on liens on a regular basis.

Recommendation:

We recommend that the township obtain per item estimates for legal work prior to commencing the foreclosure process. Further, legal billing should reflect charges in a manner that allows easy identification of cost centers.

TAX ASSESSOR

Franklin Township is the sixth largest municipality in Gloucester County when comparing total net valuation. Based on the 1999 Abstract of Ratables, Franklin Township has 7,587 line items and an equalized value of \$583,811,731. The following is a summary of Franklin Township's ratable base for the past three years. Importantly, Franklin revalued all real estate in the township during 1998 for the 1999 tax year.

	1999	1998	1997
Property Type	# of Line Items	# of Line Items	# of Line Items
Vacant Land	1,618	1,640	1,676
Residential	4,700	4,647	4,607
Farmland	320	326	317
Qfarm	678	673	663
Comm/Ind/Apt	271	237	238
TOTAL	7,587	7,523	7,501

We compute that Franklin Township's taxable real estate is 66% residential, 30% vacant and farm and 4% commercial/industrial. Compared with statewide averages, the residential portion in Franklin is about average. Franklin has an above average amount of vacant and farm property and a relatively small commercial base.

There has been a minimal amount of growth over the past three years. As a result, the tax base has increased approximately 1% per year.

The residential valuation is average at 84%, with commercial at 9%, and vacant and farm properties constituting an above average 7%.

The equalization ratio shows the accuracy of the assessed value relative to the market value of similar homes. The 1999 reassessment greatly improved the ratio from 66% to 105%. As real estate values increase relative to the assessed value, this ratio will decrease. This equalization ratio will continue to drop as property values increase generally in the township unless the assessor continually adjusts assessments to stay current with neighborhood property values. Additionally, as the market for homes varies between neighborhoods, the ratio will become different in each neighborhood over time. The method of measuring the uniformity of the ratio between neighborhoods and types of property is the coefficient of deviation.

Coefficients of Deviation

A coefficient of deviation is a method of statistically determining the uniformity of assessments. The higher the deviation, the poorer the degree of uniformity. Conversely, the lower the deviation, the higher the degree of uniformity. In this report, only the general coefficient of deviation is examined. The general coefficient of deviation measures the degree of variation among all properties, without considering property class, size or other characteristics.

Franklin Township's coefficients of deviation for the past three years are as follows:

<u>1999</u>	<u>1998</u>	<u>1997</u>
7.99%	17.56%	14.22%

The International Association of Assessing Officers (IAAO) standards recommend a maximum coefficient of deviation between 10% and 20%, however, less than 15% is desired. Franklin Township's 1999 coefficient of deviation is currently better than average. This is to be expected in a revaluation year. An examination of the coefficient of deviation within each property class may show one or two property classes need attention. The assessor can direct his efforts accordingly. Often, vacant land coefficients of deviation can be remarkably high while other property classes are normal, affecting the general coefficient. Because vacant land is such a prominent part of the Franklin property profile, the vacant land coefficient should warrant the assessor's continued attention.

We believe that with diligent effort and periodic reassessment of neighborhoods, the assessor can maintain a high assessed to market ratio and a low general coefficient of deviation without the expense and effort of a comprehensive revaluation.

Office and Staffing

The assessor at the time of our fieldwork was appointed to a four-year term in June 1999. Previously, the position of tax assessor was part-time. With the appointment of the current assessor, the township made the position full-time. The assessor comes to Franklin Township with 15 years of experience in revaluation. Franklin is his first assessor's position. The assessor obtained his tax assessor's certification in 1985, and also holds a New Jersey Residential Real Estate Appraiser's license. Accordingly, we conclude he is well qualified for this position. The

assessor provides defense of appeals at the county and state levels without additional compensation. Currently, there are no outside contractors that provide appraisal work in Franklin Township. The assessment office has one full-time clerk who has been in her position for five years.

Using IAAO standards, LGBR would expect to see approximately 3,500 line items per staff person. Franklin is operating at 3,793 per staff member. Accordingly, while the office is adequately staffed currently, limited capacity for growth in the number of line items exists with the current staffing.

The assessor's office is well equipped and the space is adequate. The property record cards, tax maps, and other documents are housed within the assessment office.

The office technology is very good. The township contracts with a computer service firm to provide the assessment software and support. The software also directly accesses the Gloucester County Tax Board and the township tax collector software. There are adequate workstations for the assessor and clerk.

Permits and Added Assessments

From 1997 through 1999, there were 128, 113 and 137 added assessments, respectively.

The assessor estimates that during 2000 he will issue approximately 265 added assessments. This increase over the previous three years is either an indication that all permits may not have been thoroughly attended to in previous years, or that the municipality is beginning to experience a period of expansion. The current assessor is very well organized in his method of tracking and recording permits and added assessments. He is also current on inspecting permits received to date in 2000.

In 1999, the municipality conducted a full revaluation; all building permits issued prior to 1999 were inspected and completed as a part of the revaluation process. Consequently, there is currently no backlog of permits to be inspected by the assessor. This year, there have been 344 permits issued to the assessor.

Exemptions and Abatements

Franklin Township adopted an ordinance in 1993 providing for abatements of improvements to existing commercial properties. There are six abatements currently in effect. The assessor has a complete file on abated properties, and all documentation is available.

Several abatements were not applied correctly at the outset. Procedure requires an added assessment to be applied at the time of construction for that year. The abatement should commence on January 1 of the next year. This was not done with abatements on three properties. The municipality lost revenue due to the failure to process the added assessments. The omission cannot be recovered at the end of the abatement period. We believe the current assessor is well acquainted with the processing of tax abatements, and do not anticipate new problems.

Farmland Assessments

During 1999, Franklin Township has 698 farms that had qualified for farmland assessments. This is the second largest number of farms of any municipality in the state, and represents just over 9% of the tax lines in the township. According to those interviewed, previously the office had not required farmland assessment applicants to submit supporting documentation to determine eligibility for the farmland assessment.

The current assessor has initiated a work effort requiring all farmland owners requesting qualification for farmland assessments to submit proper documentation of their farming activities. In addition, the assessor is inspecting many farms when the farmland application is received.

We encourage the assessor to continue his efforts to properly apply the farmland assessment law. We feel that after the 2000 farmland applications deadline has past, the assessor should attempt to inspect every property in the farmland program periodically.

We commend the assessor and the township for reestablishing proper farmland assessment procedures, and encourage this as a continued effort.

Tax Appeals

Loss of ratable value due to tax appeals is a concern for municipalities because it affects the total ratable base and therefore, the overall tax rate. Also, municipalities are liable for refunding all tax dollars for reductions resulting from an appeal. The following is the number and total value lost due to appeals in Franklin Township for the past three years.

	1999*	1998	1997
No. of Appeals	150	0	21
Value Change	(1,287,300)	0	(153,000)

*Revaluation year.

In the year of a revaluation, it is common for municipalities to experience appeals from at least 5% of properties. In Franklin, the 1999 volume of appeals was 2%, indicating general public acceptance of the new assessed values. Typically, the initial year of a new assessment is when most appeals are filed. Accordingly, we anticipate the volume of appeals to subside in future years. Overall, Franklin Township's tax appeals are unremarkable.

Budgeting

The assessor's office had an approved 1999 budget of \$81,646; allocated as follows: salaries and wages \$68,396 (84%), professional services (tax map updates) \$7,500 (9%), and \$5,750 (7%) for other expenses. We compute the fully loaded wage costs to be \$75,748. Notably, the 1999 payroll included one staff person for four months. That position was not filled in 2000.

IAAO standards indicate a range of 80%-85% of budgets for salary, and the national average total cost per line item is \$10-\$12. Based on the 1999 budget of \$10.76 per line item, the office is within both guidelines and appears to be operating in a fiscally responsible manner.

Shared Service Opportunities

During interviews, the team learned that officials were considering the possibility of providing assessing services to a neighboring municipality on a contract basis. We believe the assessing staff is capable and would handle such an arrangement professionally. We believe the ratio of staff to the number of Franklin line items shows very little capacity for new line items. Accordingly, any such contract, should include adequate provision for additional staffing. Both municipalities can realize significant benefits from shared service contracts. In addition, the recently adopted Regional Efficiency Development Incentive (REDI) and Regional Efficiency Aid Program (REAP) grant and loan programs provide funds to both investigate and the potential for shared services and implement feasible programs.

COURTS

While the team recognizes the separate authority and responsibility of the judicial branch of government, we make the following comments and recommendations to provide the township with information on current and potential operations, procedures and programs available to the court. We make recommendations with the knowledge that further review and approval by the appropriate personnel is required.

Operations

The team observed a number of court proceedings, viewed the facilities, and interviewed persons working in or directly associated with the Franklin Township Municipal Court.

In 1999, the salary and wages expenditures for the municipal court were \$110,321. Of that, \$264 was for overtime. The other expenses totaled \$8,170. The fully loaded personnel costs were \$135,883.

During 1999, the court collected \$484,744 in revenue. The township retained \$242,325 of this revenue. The court disbursed the balance to state and county agencies.

The court disposed of 6,855 complaints and added 6,049 complaints in 1999. There were 5,149 traffic summonses and 900 criminal complaints issued during 1998. Of the traffic summonses, only three were parking violations. The balance were for moving and equipment violations.

The judge scheduled court sessions four times a month. Including special sessions and trial sessions, the court had over 50 sessions in 1999. The typical docket consisted of approximately 70-80 cases. Those interviewed reported that special sessions were rare. Nearly all cases were handled during regular sessions.

Organization/Staffing

The municipal court currently has a staff of three full-time and two part-time staff members, and one part-time judge. The full-time staff consists of a court administrator responsible for the overall management of the department, a deputy administrator and one staff person. The part-time staff consists of a recording clerk and a bailiff/interpreter. Both part-time employees work

each court session. None of the staff members have completed the court administration program required by the Administrative Office of the Courts. Two of the full-time employees are enrolled and working to completing the requirements.

The judge presides over each court session, and is on call to handle emergent matters that may occur. Court sessions are scheduled on each Thursday at 4:30 p.m. During court sessions, one part-time staff person works at the bench monitoring the recording system. The other part-time staff member serves as a Spanish language interpreter and bailiff. The bailiff assists people in filling out paperwork, and delivering case paperwork to the cashiers. The court administrator works at the bench assisting the judge and recording case dispositions on the docket. The other full-time staff members work in the office entering case dispositions in the computer system, cashiering, processing time payment applications, and processing papers for those sentenced to probation, community service, or attendance at the intoxicated driver resource center.

The full-time staff workweek other than court sessions is 35 hours. During court sessions, they receive straight time pay for the first five hours and 1½ straight-time pay for any time in excess of 40 hours. The administrator receives compensatory time in lieu of overtime pay.

The court proceedings start at the scheduled time. Pamphlets explaining court procedures and one's rights in court are readily available outside the courtroom. At the beginning of the session, the judge explains court procedure and one's rights in municipal court. The staff reports that while sessions with trials can last until 11:00 p.m., the typical session ends between 7:30 and 8:00 p.m.

The sessions the team observed are conducted in an orderly and professional manner. The courtroom is generally quiet and generally free of disruption. The municipal court staff is able to accommodate competing demands in a flexible and professional manner.

The township police provide some security during some of the court sessions. Other officers are responsible for prisoner transport and handling. Prisoner transport and handling has generally been eliminated due to the establishment of an inmate court at the county jail. On some occasions, no officer was in the room for brief times during the court sessions because they were meeting with the prosecutor or performing other duties. While this has not resulted in any unfortunate incidents, having the liaison officer responsible for court security would reduce the opportunity for potentially serious incidents.

Recommendation:

We recommend the police provide an officer for all court sessions. The team feels this can be done with minimal impact on the police work schedule if the liaison officer is responsible to be in the courtroom at all times. At times when the liaison officer must leave the courtroom, he should formally pass the responsibility on to another officer in attendance. Occasionally, it may require having an officer come in off the street during sessions when other officers are not available.

Facilities

The court holds session in the municipal building auditorium. The room has a capacity of 91. The court facility appears accessible for the physically handicapped, and large enough to handle the number of persons in attendance at each session. Both the courtroom and office have alarms. The court administrator reports the bench is fitted with a bullet deflection shield. Currently, the police have the liaison officer in the courtroom for security in addition to his work with the prosecutor. Reportedly, before the liaison officer position was established in late 1999, no specific officer was assigned to the courtroom for security.

Arraignments

An arraignment hearing in municipal court is required shortly after one is arrested for a non-indictable crime. The hearing is brief, consisting of the court informing the defendant of the charges the police have asserted and of options regarding legal representation and pre-trial intervention programs. In cases where the defendant is in custody at the county jail, transportation of the prisoner to the hearing can become a time consuming task. It can involve several police officers and sheriff officers for several hours processing prisoners in and out of the jail. Prisoner transport also causes operational problems such as arranging prisoner meals and discharges.

Gloucester County began an inmate court in fall 1999 to alleviate the transportation and security issues involved in transporting prisoners. The county has appointed a municipal court judge with jurisdiction in the entire county to conduct arraignments and hear cases within the county facility in Woodbury. Currently, the inmate court is conducted on Tuesdays. According to the police and the court staff, the inmate court has significantly reduced the number of prisoners that have to be transported to Franklin for arraignment on Thursdays. In cases that involve an indictable crime, a superior court judge may also arraign the individual on Fridays. Accordingly, it appears that only a small fraction of the number of prisoners needs to be transported to Franklin for arraignment.

We commend the township and the county for cooperatively working to implement the inmate court and reducing the cost of prisoner handling.

Case Management

The court receives summonses from a variety of agencies. These include the New Jersey State Police (NJSP), the NJSP Marine Division, the New Jersey Department of Environmental Protection (NJDEP) Division of Fish, Game and Wildlife, sheriff, animal control, SPCA, weights and measures and the local police. Annually, the court accepts between 60 and 120 complaints directly from private citizens. These complaints generally involve auto accidents, however some involve neighborhood disputes. The court administrator delegates entering complaints, scheduling cases, cashiering, and producing failure to appear notices and bench warrants to the staff. The staff appears to be well trained and cross-trained.

The court operates the Automated Traffic System (ATS) and Automated Criminal System (ACS) provided by the state Administrative Office of the Courts. The ATS/ACS computers provide

detailed record keeping and case tracking for the municipality and the state judicial system. The ATS has been in use since 1990, and the ACS since 1996. The staff appears very knowledgeable in the various features and uses of the systems.

The 1999 average monthly caseload per employee (excluding part-time staff and the judge) is 190 cases. Many factors affect the ability of a court staff to process cases. Foremost is the mix of parking, moving violations, and disorderly person (criminal) cases. Other factors include the training, experience, and diligence of the staff. LGBR has reviewed other well-run municipal courts with monthly per person caseloads of 400. These courts are handling primarily parking violations and other traffic violations. A well-run court with a 20.5% criminal caseload, 60% moving violations and few parking violations has a monthly per person caseload of 180. Courts such as Franklin, with criminal caseloads of 15% and 85% moving violations will have an intermediate per person monthly caseload. We conclude that the court's staffing level is appropriate, however, our observations lead us to believe there is some additional caseload capacity.

The 1998 statistical reports show the average case disposal rate was 112% indicating that the staff is effectively using the ATS/ACS computer. High disposition rate appears to be related to an effort by the NJDMV to begin adding older license suspensions to its database. This results in drivers with older open cases being denied license renewals and acting to clear up the delinquency. The staff reports they have noticed a number of drivers have been in contact with the court to settle summonses that precede the ATS/ACS system.

In many municipalities, evening court sessions result in overtime wages for the staff working those sessions. In Franklin, overtime and part-time wages represent 2.7% of the salary expenditures. Based on staff estimates, they are called out four to six times per month and most of that time is compensated with compensatory time.

The team noted that an ATS/ACS terminal is not used on the bench to enter dispositions. This results in the need for additional staff time in the back office to enter dispositions. Having the cashiers enter dispositions as they collect fines creates an internal control shortcoming. Many courts similar in size to Franklin's court operate with a terminal and one staff person on the bench. The staff person operating the recorder maintains the recording log and enters case dispositions in the terminal. During the portion of the session when the judge is taking guilty pleas, entering the dispositions is a high priority. The probability of needing a transcript for an appeal, and hence the recording log, is limited. During trials, when a detailed recording log is more critical, the work associated with dispositions has stopped. Without the need to enter dispositions at the cashier window, one cashier should then be able to collect fines, and complete the other required sentencing paperwork.

According to those interviewed, the Spanish interpreter is needed at nearly every court session. Our observations confirm the interpreter was used several times each session. During 1999, the township paid \$3,113 for this part-time position. Assuming the court contracted for one case translation provided by a contractor for each of 50 sessions we estimate the township would have spent approximately \$2,500. Accordingly, we conclude that having the bailiff/interpreter is cost

effective for the township. We do feel the bailiff/interpreter may be more fully occupied if used to assist the cashier with sentencing paperwork. We anticipate reorganizing the staff will reduce the need for compensatory time by 500 hours per year. At an average hourly rate of \$11.00, we compute the productivity enhancement of \$5,500 annually.

Recommendation:

We recommend the court have one ATS/ACS terminal installed on the bench, and use it to record dispositions. Additionally, we recommend the court reorganize its staffing during court sessions to provide one staff member on the bench; a cashier in the back room; and the bailiff/interpreter who should also assist the cashier with the case paperwork when not actively involved in the court room.

Productivity Enhancement: \$5,500

Case Scheduling

The police and court administration report good cooperation between their departments. The court schedule is coordinated with the police work schedule. The court staff receives the police work schedule, and is informed of vacation schedules. Accordingly, the court staff can schedule cases requiring an officers appearance during sessions when the officer is on duty, minimizing overtime. In addition, the police have assigned a liaison officer to the court who is available to authorize plea bargains with the prosecutor eliminating the need to call officers off the road unnecessarily or take time to contact officers when off duty. Those interviewed estimated that the liaison officer system has reduced court time by approximately two hours per session.

This is important to the taxpayer because poor scheduling of police officers for testimony impacts issues such as the transportation and housing of prisoners, and case rescheduling can cause significant overtime and staff frustration.

We commend both the police and court administration for their efficient, cooperative management practices.

Our review of the ATS/ACS report monthly management report shows a backlog of cases ranging from 1 - 20 with hearing dates exceeding 60 or 90 days in most months. The court staff reports this typically occurs when a defendant is hospitalized or in state prison on other charges. Because state prisoners are not typically transported to hearings in municipal court, the cases are held pending their release. Reportedly, the judge also will sentence drug offenders into treatment, but not dismiss the summons in order to retain jurisdiction, should the defendant not successfully complete the treatment. Accordingly, we conclude that the case backlog is not related to an inadequate number of court sessions.

Our review of the ATS monthly management report shows that while nearly all summons issued by local police are entered into the ATS/ACS terminal in less than four days, a large number of summons issued by state officers take over seven days to enter. Those interviewed report that at times both the township police and the state police do not turn in their summons promptly, delaying the court staff. Reportedly, some state police barracks submit batches of tickets once

every two weeks by mail. Those interviewed report that the township officers may, at times, inadvertently overlook submitting summons in to the court before their days off delaying the entry of those tickets. On occasion the ticket is not received until after the court date has passed. This can cause operational problems for the court because motorists may appear at the violation bureau to pay their fine before the court has received a summons from the officer. In order to accommodate the motorist, the court often processes the ticket using the motorist's copy. At times, the copy is difficult to read resulting in citizens paying fines in the wrong court or other clerical errors that require additional time to correct.

Some courts have installed a drop box on the exterior of the building, which makes dropping off tickets by the state police during non-business hours possible.

Recommendation:

We recommend the court administrator contact the state police barrack commanders to discuss a means of having summonses submitted to the court more promptly.

Time Payments

From time to time defendants are unable to pay the fines assessed in court. In these cases, the judge may allow a defendant to make periodic payments or "time payments." The court has an Application to Establish Indigency (form 5A) to be used for those requesting the services of the public defender or to pay fines in installments. In many courts, time payments become delinquent requiring aggressive follow-up by the court staff. In reviewing the time payment accounts of the Franklin Township court, we found court personnel are actively pursuing the collection of delinquent accounts.

The New Jersey Administrative Office of the Courts, courts are required to grant time to pay requests. Judges do have discretion in establishing the frequency and amount of the partial payments. In practice, the judge directed the defendant to fill out a form 5A before going to the cashier window. The staff typically made time to pay arrangements at the cashier window within general guidelines established by the judge. When the mutually agreeable arrangements can not be made, the defendant is directed to make arrangements with the judge later in the session.

In other courts with which the team is familiar, the judge will direct time to pay applicants to complete the 5A form and return to the courtroom later in the session for a determination. Our experience is that many applicants reconsider their need to apply in light of the delay, and produce the funds to pay the fine.

Recently, the Administrative Office of the Courts has established the Comprehensive Enforcement Program. This program is designed to use the capabilities of the state probation office to locate those who have disregarded time payment arrangements and who have not been returned to court through the normal warrant/license suspension mechanisms. This program is superior to private collection agency contracts because the cost of the program is shared by all agencies for which fines are collected, rather than just the municipality, and it has access to the capabilities of the state law enforcement agencies.

The team commends the court and court staff on their aggressive efforts to enforce the terms of time-payment orders.

Recommendation:

We recommend the township explore the use of the Comprehensive Enforcement Program for appropriate delinquent cases.

Credit Card Payments

Recent revisions to the rules governing the administration of the New Jersey court system permit municipal courts to accept credit cards for most payments due to the court. Franklin has not yet adopted the use of credit cards in the court. Those interviewed reported that the township had considered permitting credit card payments, but felt the service fee was an unacceptable expense. The court staff estimated that about 25% of those paying fines inquired about credit cards. Reviews in other municipalities suggest that authorizing credit cards may reduce the number of time to pay applications that are the result of a defendant simply not having sufficient funds on hand to cover the fine levied.

Recommendation:

We recommend the township reconsider its decision to not authorize credit card payments for the court and other offices. Including credit card services in future banking requests for proposals may result in improved pricing.

Failure-to-Appeal Notices

During the period reviewed, the court produced and mailed failure-to-appear (FTA) notices promptly after each court session. This is an important feature for both the enforcement of summons-to-appear and for the internal financial controls of the court. The deputy court administrator produces the notices, with the assistance of one of the staff. We note that the staff person is also a cashier and participates in the bookkeeping for the court. We feel the court could improve its internal controls if the printing and mailing of failure-to-appear notices did not involve those routinely cashiering or doing bookkeeping.

FTA notices, like other forms of late notices, are an important feature of an internal control system, and should not be delayed unnecessarily or handled by those collecting funds.

During our review, we noted that a number of failure-to-appear notices were not mailed promptly after the court session. The court administrator reported that most of those were rescheduled cases for which FTAs would have been inappropriate. The ATS system does not print FTA notices for cases with new court dates entered. Accordingly, we believe that the staff may be using the FTA notices as a reminder to enter rescheduled cases. We believe a better practice would be to enter rescheduled cases either on the bench or the day after the session.

Other Internal Controls

During the review, the team noted that the individual primarily responsible for the reconciling the monthly bank statements is also primarily responsible for preparing bank deposits, and disbursements from the court bail and general accounts. We feel the court could greatly improve its internal controls if the court administrator did not participate in all the financial operations such as the deposit of receipts, disbursement of funds and the reconciliation of the bank accounts. While we do not have any reason to believe any inappropriate transactions have occurred, we feel a better system of internal controls would serve to protect staff members and the municipality.

Recommendation:

We recommend that the judge and court administrator consult with the township auditor to develop a better system of internal controls.

PUBLIC DEFENDER

The municipal public defenders law, N.J.S.A. 2B:24-1 et. seq. requires each municipality to hire a public defender. Franklin has employed an attorney part-time to provide this service. The law also provides that the township may charge an application fee of up to \$200 for those requesting a public defender. Franklin Township ordinance O-1-98 authorizes a fee up to \$200, however, the judge is authorized to waive all or part of the fee if the fee is an unreasonable burden on those seeking representation. State law requires the township to use the fees to offset the costs incurred by the township in providing the public defender. During 1999, the township received \$1,295 in public defender fees.

In Franklin, should a defendant wish to have representation by the public defender, the defendant completes a 5A application and affirms the accuracy of the information on the record. Those interviewed reported the AOC income guidelines have been helpful in determining eligibility. In 1999, 141 defendants applied for the public defender; 68 were approved with no fee; 43 were approved with a fee ranging between \$50 and \$200; and 30 applications were denied.

The township paid the public defender \$7,500 during 1999 for handling all cases assigned. The public defender does not receive health, sick leave, or vacation benefits. He is enrolled in the Public Employees Retirement System. There is no "other expenses" budget for the public defender. The fully loaded wage costs were \$8,074.

In both local police and state police cases involving the public defender the public defender directs discovery requests to the court staff. The court staff obtains the discovery from the local police and/or the state police and forwards them to the public defender. No fee is collected.

The public defender reports that he appears at two court sessions per month on average, and interviews' clients on two afternoons per month. In 1999, the public defender handled 111 cases. This results in an average cost per case of \$72.

Because the fees do not fully support the cost of the public defender's office, the township appropriates the full salary for this office in the annual budget and reimburses the budget from the fees collected for the public defender.

The team has reviewed other courts that have contracted for public defender services and have found average case costs ranging from \$21 to \$37. Some of these municipalities elect to compensate the public defender with a "per appearance" fee designed to compensate the public defender based on the number of court sessions worked rather than a salary.

Recommendation:

We recommend the township committee review the compensation in other area municipalities to assure itself that the township is paying a competitive fee.

PROSECUTOR

The township committee has appointed a township prosecutor to present municipal complaints to the court. The prosecutor is an employee of the township. During 1999, the salary for this position was \$18,625. The prosecutor does not receive health, sick leave, or vacation benefits. He is enrolled in the Public Employees Retirement System. There is no "other expenses" budget for the prosecutor. The fully loaded wage cost for this office is \$20,050.

During our review, the township prosecutor was always present for each court session, prepared for his cases, and ready to proceed on all matters.

One of the duties of a prosecutor is to assist with the record management pertaining to the discovery process. Accordingly, when a case involving a township police officer goes to trial, the defending attorney requests a copy of the police file concerning the case. Typically, the prosecutor reviews the police file and approves the items the police may release to the defense attorney. In Franklin, the prosecutor does not review each file as most files are released in their entirety. It appears the police records staff has a good understanding of the discovery process and can contact the prosecutor with any questions that may arise about documents. The police record bureau makes the copies and mails the documents to the defense attorney. The police department established a \$20 fee in consultation with the municipal prosecutor. Our review of the ordinances did not show an ordinance authorizing the fee being collected. While we agree that the flat fee avoids the clerical chore of calculating a separate fee for each file, we believe the fee should be authorized by ordinance, and related to the size of the file being copied.

Recommendation:

We recommend the township adopt an ordinance authorizing the discovery fees.

In all cases arising from the NJSP involving discovery, the municipal prosecutor forwards all requests to the police records staff. The police records staff in turn requests the NJSP to send the

case file from the state police record bureau, and responds to the request for copies of the documents. The state does not charge a discovery fee to the municipality in these cases. The police do charge the defendant the township fee for discovery. The prosecutor was familiar with procedures for State Police discovery in municipal court cases.

The New Jersey State Police report that during 1999, 13 driving while intoxicated (DWI) cases were submitted for discovery to the Franklin prosecutor. The State Police do not track criminal and other traffic cases. Notably, the police may submit one case for discovery three or four times due to defense attorneys updating their information, clients changing attorneys, and due to multiple defendants involved in one case. The State Police do not track how many times they submit a case for discovery. Accordingly, the case count is a very conservative estimate of actual discovery submissions.

The prosecutor reports that problems with defendants getting discovery in a timely manner are infrequent.

POLICE

General

The New Jersey Uniform Crime Report lists Franklin as a rural community. The report gives this designation to all communities categorized by the New Jersey Division of State and Regional Planning as having scattered small communities and isolated single family dwellings. We believe that the rural designation is appropriate.

In 1998, the total number of crimes per 1,000 population was 36.5 with a majority of the crime in the categories of larceny, domestic violence and burglary. The following table compares the uniform crime report statistics of area jurisdictions.

Municipality	Crime Total	Crime per 1,000 Population	1996 Est. Population	Square Miles	Sworn Officers
State of New Jersey	296,638	37.1	7,993,220	7,495	N/A
Gloucester County	9,352	38.3	244,203	328.3	504
Clayton Borough	316	46.3	6,827	7.7	15
Elk Township	143	37.0	3,864	19.6	10
Franklin Township	552	36.5	15,133	56.5	24
Glassboro Borough	953	54.6	17,463	9.4	41
Monroe Township	966	34	28,418	46.9	60
Newfield Borough	15	9.6	1,569	1.7	5
City of Vineland	3,411	61.0	55,906	69.5	128

The department includes one chief and two lieutenants. An executive officer lieutenant headed the patrol division. The staff lieutenant headed the detective bureau, community policing unit, and emergency management. The clerical employees responsible for police records and other

department business all report directly to the chief. Those interviewed noted that the existing table of organization represented a reduction in the number of supervisory staff in the department from that of several years ago. At the time of our fieldwork one lieutenant retired, and the duties of that position were transferred to a sergeant pending the appointment of a new lieutenant.

According to the approved table of organization, the department employs a chief, two lieutenants, six sergeants, one detective, 15 police officers and four special police officers, totaling 29 sworn officers. In addition, the department's table of organization shows four civilians, all in clerical and record keeping functions. Early in 2000, the township entered into an agreement with Gloucester County that provided for the county to provide all call taking and dispatching services for the Franklin police. The result was that the township is no longer required to staff four full-time and four part-time call-taking/dispatch positions. Gloucester County does not charge the township for providing the service. One of the six sergeants is assigned significant duties regarding code enforcement.

We believe the existing table of organization could be reduced by one lieutenant position after the current effort to update the department policies and procedures is completed. We discuss the code enforcement function in the code enforcement section of this report.

In 1999, the township expended \$1,218,081 for police department salaries & wages and \$212,001 for other expenses. The other expenses included \$54,493 for the purchase of new automobiles. The fully loaded wage cost was \$1,950,076.

We commend the township and police management for their reorganization of the police department and the reduction in management positions. We also commend the township and the county and for the cooperative effort to provide call taking and dispatch services on a regional basis.

Recommendation:

We recommend the department consider further reduction of the administrative positions by one lieutenant and remove the code enforcement duties from the department.

Personnel

Morale in the department is generally good, having improved over the past several years according to those interviewed. Officers exhibit professional pride in police work, as well as in the department. Most report morale problems in the past has been related to personnel actions (both positive and negative) that appeared to the staff to be capricious. Others noted that the department was beginning to overcome the effects of ineffective management over the past decade. Universally, the department staff viewed the current management as generally effective in managing the department and providing needed improvements.

Those interviewed felt the department had historically been one of the most respected departments in the county. While that reputation persists, some expressed concern that the department had slipped from its leadership position.

Serious disciplinary matters appear to be infrequent and handled promptly. Some interviewees expressed concerns about inconsistent enforcement of personnel matters; however, no concrete examples were presented to the team. Personnel matters concerning the civilian staff are unremarkable.

Beyond the on-going training mandated by the New Jersey Division of Criminal Justice, the department has made training available to officers at all ranks to expand their work knowledge through elective training opportunities. Those interviewed expressed concern that requests made to receive training from the FBI National Academy or the New Jersey Chief of Police West Point Program have been turned down in the past. As of our fieldwork, several supervisors reported they had completed the certified public managers program or the New Jersey Association of Chiefs of Police “West Point Program.” No officers had attended the FBI National Academy or the Northwestern Program at the New Jersey State Police Academy. The chief was anticipating attending the National Academy in the near future, and other officers indicated they were scheduled to attend the West Point Program. Authorities recognize these programs as an important course of training for future police executives.

The team reviewed the training provided to the police officers to verify compliance with the requirement of the New Jersey Division of Criminal Justice (DCJ). All sworn officers are scheduled for a one-week training once per year at the County Training Center. In addition, the department provides a variety of other training to most uniformed personnel throughout the year.

We recognize that sending supervisory officers for management training has a temporary impact on the day to day work in the department, however, proper training is critical not only to the individual officer, but also to the municipality. Heavy liability exposures exist for municipalities that have not properly trained their police. The team believes that while the department complies with the DCJ minimum training requirements, the current expanded police management training will serve the township well.

We commend the department’s current effort to provide expanded training opportunities for future police managers.

According to those interviewed, new officers that have graduated from the basic police program in Franklin are placed on closely supervised patrol for approximately one month. After the new officer is acclimated to the routine of their duties, the officer functions as a patrol officer. Unlike many other departments, the Franklin police do not provide a formalized field training program after the academy. We understand training for new officers in department policies and procedures consists of the officer being given a set of the multiple volume general orders and instructed to read the orders. Follow up training with all officers regarding the general orders is nonexistent. While those interviewed noted that veteran officers were very helpful and available to answer questions, we feel a more formal field-training program would serve the department by providing a list of training objectives and time frames for accomplishment. Such a program would smooth the transition from cadet to officer without the liability that may accrue with

haphazard training. Field training in many other municipalities ranges from 10 to 12 weeks riding with a training officer responding to calls and a period of ‘shadow patrol’ thereafter, with a formal schedule of policy and procedure review.

During interviews, the team learned that the department has a long standing, unwritten policy that prohibits an officer in their first year of employment from using radar for traffic enforcement. Reportedly, the policy was instituted after a new officer was reprimanded for writing summons to individuals who the then chief felt warnings were more appropriate. The existence of this unwritten practice was confirmed in interviews with management staff.

This policy is unique in the team’s experience and appears counterproductive, particularly in light of the department’s officer productivity standards. We believe that a patrol officer should be promptly certified on radar and permitted to use it as necessary to enforce traffic laws.

Recommendation:

We recommend the police formalize and document the field training provided to new officers, including a structured orientation to the standard operating procedures. Additionally, we recommend the informal policy of restricting an officer’s use of radar during the first year of service be abandoned.

In recent years, the department has reduced its command overhead significantly to its current structure of one chief and two lieutenants. Importantly, the township has assigned general code enforcement duties to the department together with emergency management duties. We feel the code enforcement duties are not appropriate in the department, and if assigned to a civilian, may permit the further reduction of one lieutenant. We recognize the department has important work underway revising its policies and procedures and other internal management functions. Accordingly, we feel that the current management staffing is appropriate, but encourage the township to reevaluate the need for two lieutenants when the policy and procedure revisions are completed.

We further discuss the policy and procedure revisions in the general orders section of this report and the code enforcement function in the code enforcement section of this report.

Drug and Alcohol Testing

The department drug and alcohol testing policy was in draft form at the time of the fieldwork. The draft shown to the team did not comply with the directive established by the New Jersey attorney general’s office for drug testing for law enforcement personnel. We believe the policy should include a similar testing protocol for alcohol.

Recommendation:

We recommend the township’s policy for drug testing of police officers be made to comply with the New Jersey Attorney General’s directive. We also believe the policy should include alcohol testing.

In September, 1998, the New Jersey Attorney General issued revisions to the policy for drug testing those employed in law enforcement positions. The revision permits municipalities to include random testing of police officers.

We believe that the current positive reputation of the Franklin police will be enhanced by the inclusion of a random sample protocol in the township policy. Costs for testing for drugs at the State Toxicology Laboratory are \$20 per sample. Alcohol testing would be an additional cost through a third party contractor. We believe the total cost per sample will be under \$50. Assuming the township randomly tests a 50% sample of the 25 sworn officers each year, the cost will be \$625 annually.

Recommendation:

We recommend the township revise its draft drug and alcohol testing policy to include law enforcement staff in random testing.

Value Added Expense: \$625

General Orders

The department has five large volumes containing general orders or standard operating procedures (SOPs) for the department. According to those interviewed the standard operating procedures are generally outdated and contain internal contradictions and contradictions with training provided to officers. Reportedly, departmental training provided to new officers on the SOPs consists of having them read through the five volumes. Follow up training or periodic review with all officers is non-existent. When a policy is revised or a new policy issued, officers are given the policy, but apparently the policy that is being amended is not removed. We understand that historically, information explaining the reason for the new policy and a review of applicable circumstances is not forthcoming.

The team's review of the SOPs showed that the policies were organized chronologically, by date the policy was adopted. Accordingly, if one did not know that a policy was issued on a subject, or did not know when the policy was promulgated, it was not likely one could find it in a timely manner. If one did find a policy, one could not know if it had been superseded by a revision.

The policies reviewed by the team were written in a variety of styles, and with widely varying writing skill. Accordingly, some policies were not written clearly, and without background information, were open to diverse interpretations.

According to those interviewed, revising the SOPs had begun, but has been slowed by other business. We understand the department had obtained policies from other municipalities. The team was able to direct the department to policy and procedure models available from the New Jersey Division of Criminal Justice.

Having comprehensive, clear SOPs that are consistent with law and regulation will assist the township avoid liability.

We believe the department can expedite the work on the revisions by delegating responsibilities for first draft rewrites within a subject area to two or three person work groups within the department. Thoughtful use of word processing editing features will make the redrafting work significantly easier. When completed, the manual should be organized by subject area and cross-referenced extensively. Each officer should receive a copy of the manual.

Recommendation:

We recommend the department continue its work on revising its SOPs as a priority and organize it by subject matter. New officers should have a copy of the manual with a prescribed review program during their indoctrination period. Once completed, sections of the manual should be reviewed by all officers during roll call or other frequent, routine training times such that the entire manual is reviewed continuously by all officers over a reasonable period of time.

As revised SOPs are completed and adopted, the chief should insure that the officers are following the procedures. In large departments, an inspector's office is responsible for this compliance function. In small departments, such as Franklin, this function is typically a responsibility of the chief, another senior officer, or by a contracted third party.

Code Enforcement

At the time of our fieldwork the township had assigned the enforcement of general code violations for property maintenance and other township code provisions to the police department. We reviewed the code enforcement activities and learned that due to perceived legal limitations, the officer assigned would take a complaint and attempt to verify the violation from the street or the complainants property. Attempts are not made to speak with the subject property owner or to enter the property for an inspection. Those involved with inspections reported that on site inspections may turn up criminal violations beyond the subject of the initial complaint, complicating the role of a police officer assigned to investigate a code violation.

During interviews, generally the placement of code enforcement in the police department appeared to be a default decision due to the lack of other good options. Some expressed the opinion that a uniformed officer could at times obtain compliance through presence. The absence of contact with the owners of the subject property suggests that the desired citizen contact is not happening.

We agree that the nature of the work may at time require the presence of an officer, however, we believe the position would function better if staffed by a civilian. The staff time now spent on code enforcement by officers should be used on general patrol duties. We estimate a part-time code enforcement officer would cost the township approximately \$20,000 including payroll taxes.

Recommendation:

We recommend a civilian employee staff the code enforcement position with support from the police department.

Patrol

The patrol division operates in four squads typically consisting of one sergeant and three patrol officers. Each squad works 12-hour shifts. Each squad works two consecutive day shifts followed by two days off. They then work three consecutive day shifts followed by two days off. The squads alternate days and nights every three months. The chief has determined that the minimum staffing for each shift is three officers. Accordingly, time off or training time for officers is generally affected by competing requests for training or time off. If circumstances such as illness and/or scheduled time off cause fewer than three officers to report for a shift an officer is called in to work. At times an officer is simply reassigned from the community-policing unit, at other times, an officer is called in to work on an overtime basis.

In Franklin, patrol squads are responsible to conduct complete investigations of significant incidents. This is in contrast to many departments that turn all but the most routine investigations over to detectives. Accordingly, patrol time available is more limited than it would be in a department where a patrol officer responds to an incident, secures the scene, conducts a preliminary investigation, and then turns it over to the detectives when they arrive. Franklin's method of operation functions successfully. We highlight it because it is important to recognize that the time spent investigating incidents is necessarily subtracted from the time available for routine patrol or officer initiated stops. In contrast, were the township to revise the method of investigation for most incidents, significant additional time would be needed in the detective bureau.

Beat Patrol Analysis

The team performed a workload analysis to determine the number of police officers needed for patrol duties. Currently, the day and evening shifts use a minimum of three officers per shift. Using time and attendance records provided by the township, the team computed the officer availability, (the average hours worked after training and leave time is deducted) to be 1,617 hours per year. Franklin's officer availability is somewhat lower than the 1,736 average for New Jersey police departments.

Because the police were not using a computer aided dispatch system during 1999; the team used the mechanical cards created for each call. The department's method of recording time spent on a call and the time spent by backup officers on a call did not provide the information needed to prepare a definitive beat patrol analysis. Additionally, the Gloucester County communication system was not yet capable of providing reports on calls for service. Reportedly, the software necessary to generate reports on calls for service was expected in June, 2000. Accordingly, we have used the statewide average of 45 minutes for average length of time spent on a call for service. When better information is available, the police department should re-compute the beat patrol analysis with more accurate data.

There were approximately 13,209 calls for service 1999, including fire and EMS. The patrol division responds to most fires and medical calls. The statewide average time spent per call on the calls for service was 45 minutes. Those interviewed reported that the range is approximately 15 minutes for a false alarm to over one-hour for a very involved call. Using formula provided by the New Jersey Division of Criminal Justice, Law Enforcement Standards Section, the team computed that the Franklin Police Department should have 17 police officers on general patrol duties.

During 1999, the authorized sworn staff in the department was 25. When one deducts the chief, two lieutenants, two detectives, one administrative sergeant and $\frac{1}{2}$ of the three community policing unit hours (representing the time they are not available to respond to calls due to CPU duties), we compute the patrol division is at a current strength of 17.5.

The projections of population growth do not suggest a significant increase in calls for service.

We conclude that the department has properly sized the patrol force, however, we feel the patrol force may be more effectively deployed to avoid shorthanded shifts during the busiest times.

A measure of how often the department is short handed is how often calls are “stacked” or left waiting for an officer to “clear” from the call they are on. One must also consider the nature of the calls being stacked. While the team did not attempt to review stacked calls, dispatchers and officers report that low priority calls during busy shifts were routinely “stacked.” The reports on how often calls were stacked were widely divergent, and accordingly, we found the anecdotal reports unreliable. Higher priority calls would typically result in a request for mutual aid. Reports of incoming mutual aid ranged from twice per week to several times per month. Outgoing mutual aid was reported as similar in frequency. The outgoing destinations were typically Newfield Borough, Clayton Borough and Elk Township. Some reported that while the department was oriented to community policing, frequently it had to operate as a “9-1-1 response” department going from call to call. Many of the officers interviewed felt the need for additional officers on each squad.

Data on calls for service by day of week and time of day were not available from the department. Those interviewed reported that the busiest time of day in Franklin was typically 3:00 p.m. to 1:00 a.m. The busiest days were reported as Wednesday through Sunday. This closely resembles the patterns in other departments with which the team is familiar.

Because the current shift pattern places the same number of officers on each shift without regard to the calls for service actually received. In addition, the team feels the use of 12-hour shifts may not be the most efficient schedule for the Franklin police. While we understand many officers like 12-hour shifts because the schedule results in a greater number of days off and more frequent weekends off, it does impact the total time an officer is available.

In addition, many police professionals find that while 12-hour shifts are workable in suburban communities with less intense police activity, the shift is too long in area with more intense

police activity. While Franklin is a rural community, the nature and volume of calls at times resembles a more urban community. Combined with the extensive patrol responsibilities for incident investigation leads us to conclude the 12-hour shift should be reevaluated.

We believe modifying the shift schedule could increase the staffing at busy times. Having selected officers on the slower day shift report at noon rather than at 7:00 a.m. or a night shift officer report at 3:00 p.m. rather than 7:00 p.m., commonly called a push/pull shift, would put additional officers on duty during the high call periods. In many departments, the push/pull assignment is rotated among the members of the squad. In addition, a nine or ten hour shift would create shift overlaps that should be timed to coincide with high activity periods.

The New Jersey Division of Criminal Justice offers a one-day seminar on performing a beat patrol analysis. We believe it would be a valuable tool for police managers to attend.

Recommendation:

We recommend the township reevaluate the shift patterns and work schedule to increase the number of officers available during high activity periods.

Summons Activity

The team reviewed the summons activity for the police department. In 1998, the police issued 4,829 summons for moving violations. In 1997, the summons count was 8,695, not including parking.

In January, 2000, the Franklin police established a summons productivity goal for each officer of 20 summonses per month.

During 1999, the team found officers who worked 12-hour shifts for 14 days each month and found less than 10 traffic violations worthy of a summons each month. Other officers appeared able to issue two and even three times that number.

By comparison, the Paterson, New Jersey police traffic unit established a productivity measure of ten separate officer initiated stops per eight-hour shift. The unit supervisor expected each officer to find traffic violations and stop the vehicle. The issuance of a warning or a summons is left to the officer's discretion. The supervisor adjusted the goal if the officer was diverted to an accident investigation, or some other time consuming activity. The goal provided a productivity measure without a mandatory summons quota.

Franklin police supervisors each appeared to be well aware of the productivity requirements and were aware of the statistics of those reporting to them. Some officers interviewed expressed the concern that the productivity standard was simply a revenue generating operation, yet none felt it was unreasonable. Some expressed concern that it was not clear how the department management would deal with extensive time limitations such as vacation and involvement in a lengthy investigation.

Patrol Operations, (3rd ed.), published by the International Association of Chiefs of Police (IACP) states that generally, an enforcement ratio of at least 20 convictions for hazardous driving per each accident with injury or fatality will reduce the accident rate. In 1999, the total number of summons for moving violations in Franklin was 5,146 according to court records. Police records show there were an average of 227 accidents with injuries and/or fatalities per year in 1998 and 1999. Multiplying the number of accidents with injuries by 20, based on the IACP formula, the team would expect to see summons for moving violations of at least 4,540 per year, if accident reduction is a department goal.

Many police professionals also find traffic stops can serve to discourage criminal activity, increase warrant arrests, and provide opportunities for officers to reveal criminal activity. Accordingly, we anticipate increasing traffic enforcement will improve police efforts to control crime. The Franklin police statistics indicate officers made a total of 5,223 traffic stops in 1998 and 5,306 in 1999. While not all of these stops were for moving violations, they do indicate a meaningful level of proactive policing activity in the department.

We commend the department for establishing and monitoring productivity measures in the patrol division.

Traffic Services

During 1999, 538 accidents occurred within Franklin Township. These auto accidents resulted in 209 individuals being injured and three were killed. The team was not able to compare Franklin's accident rate with the county because countywide statistics were not available. Presently, the police patrol division is assigned to address policing issues specifically related to traffic. Several Franklin officers have received specialized training in accident investigation. The county prosecutor has established an accident investigation unit that responds to every serious accident if requested by the police. This unit provides the necessary investigative expertise for serious accidents thus freeing the local officers to supervise the scene and return to their posts.

Generally, LBGR does not recommend specialized units as an efficient way to provide traffic services in communities the size of Franklin. The county accident investigation program appears to provide a valuable service on a regional basis.

Towing

Vehicles that are involved in auto accidents or breakdown on public streets often require the services of a tow truck. Various sections of N.J.S.A. 39:3-1 et. seq., N.J.S.A. 39:4-1 et. seq. and case law authorize the police to have such vehicles removed and stored at the owner expense. When the owner of a disabled vehicle does not or can not request a specific tow vendor, the police summon a vehicle from a list of tow operators who have applied to the police to be on the list.

Towing contracts are somewhat unique in municipal government due to the fact that while the municipality selects the vendor, the vehicle owner or the owner's insurer pays the cost of the service.

The township does not have an ordinance regulating the use of tow operators by the police.

Due to irregularities and abuses in the award of towing contracts in some municipalities and by some in the industry the legal obligations of municipalities in contracting for the provision of towing services became the subject of concern. In 1991, legislation was enacted which modified the manner in which municipalities could provide for the provision of towing services within their jurisdictions. In summary, the legislation, codified at N.J.S.A. 40A:11-5 (u); and N.J.S.A. 40:48-2.49 provides that municipalities must award towing contracts based on competitive bidding or by establishing by ordinance a system of rotating which vendor is called. Both systems require using a standard specification with which all vendors must comply. Each method of selecting the towing service is subject to N.J.S.A. 17:33B-47, which regulates the auto insurance industry's reimbursements for towing services.

According to those interviewed, the Franklin Police have established a rudimentary specification including the requirement for \$1 million in liability insurance and a general condition regarding response time; however, the specification is not in writing other than in the form of notes. Certificates of insurance were not available for examination by the team. Background checks on the tow operators or drivers, minimum equipment requirements, equipment inspections, inspection of storage yard operations, hours of operation and procedures for safeguarding personal property were not conducted by the police. Tow fees and storage fees appeared to have been established through informal quotes obtained by the chief. We believe the fees must be established by ordinance.

Those interviewed report the department has also established a rotation system for tow operators. The rotations system is “closed” in so far as the list is limited to 12 vendors. New vendors have to wait for a slot to open. We believe that closed lists are not consistent with the statute. A separate list for heavy tows is not apparently kept; however, officers appeared knowledgeable about which vendors had heavy tow capabilities and would by-pass the list to obtain the necessary equipment. While functional, we believe a separate contract or list for heavy tows is required.

Many municipalities collect an initial application fee and an annual renewal fee from tow operators wishing to be added to the list. Such a fee reimburses the municipality for the expense of conducting background investigations and inspecting the storage yard. Were Franklin to adopt an initial application fee of \$250 and an annual renewal of \$100 the current vendor list would generate an initial fee of \$3,000 and annual fees of \$1,200 each year thereafter.

A model towing ordinance and information that will assist in correcting these shortcomings is available from towing industry trade groups.

Recommendation:

We recommend the township promptly prepare a standard specification for third party towing contracts and provide third party towing services in accordance with statute.

Revenue Enhancement (Annually): \$1,200

Outside Employment of Police

Police officers who work as police officers for employers other than the municipality, such as directing traffic at a construction site, present unique issues to a municipal government. In Franklin, private parties wishing to employ a police officer for work outside the normal service provided by the township, would contact the police administration who arranged for the needed coverage.

An officer's pay for the outside work is handled through the township payroll, and the township retains a portion of the reimbursement as an administrative fee. This practice compensates the township and clarifies the line of authority for officers assigned to "outside work." Accounting for the "outside" work time, billing and reimbursements is one of the responsibilities of the administrative officer in the police department. The need for police, rather than civilian "flagmen," to handle traffic control is determined by the engineer of the appropriate jurisdiction in consultation with the police chief.

Staff members report that on smaller jobs, the township typically bills the contractor after the fact for the time spent on the job. Larger jobs are billed on an interim basis after the fact. The township covers payroll expenses until the contractor reimburses the township. The staff recalled only one contractor who was slow in reimbursing the township and none that have filed for bankruptcy while owing money to the township.

While Franklin has, evidently, not experienced difficulty with reimbursements, we believe the method of administering the work order and billing could be simplified and cash flow improved. We believe the township should require the contractor to deposit the funds needed for the officers in advance of the work based on an estimate of the work time. Very large jobs could be handled through interim payments. This would assure that the township will have the funds available at the time the payroll is prepared, and avoid advancing funds to the payroll account if the reimbursement is delayed. At the end of a job, the time worked will still need to be reconciled with the amount paid and a refund of a balance or billing for a shortfall processed.

The finance officer reports that the police budget is charged for the time worked and later reimbursed from the revenue received. This transaction, known as a "contra," is normally restricted to insurance reimbursements and is not intended for other reimbursements.

The New Jersey Local Finance Board has anticipated the need for revenue from outside employment of police to be available for the payroll. Accordingly, outside employment of police is one of the dedications-by-rider they have approved as a matter of policy, and have delegated the approval of municipal resolutions to the Division of Local Government Services staff.

Recommendation:

We recommend the township request the Director of the Division of Local Government Services approve a dedication by rider to the budget for the outside employment of police. Additionally, we recommend the township revise the method of collection to require advance payments from those requiring police services.

Alarms

During 1998, the police department responded to 1,316 false alarms. In 1999, there were 1,439 false alarms, a 9.3% increase.

The police records did not establish the nature of most alarms. Accordingly, the team was only able to discern false fire alarms from all other alarms in Franklin. The police records did categorize the type of location from which the alarm was received into residential and non-residential. These categories were further broken down into general time (day/night). In other municipalities the team has reviewed, burglary alarms were the overwhelming category, with fire, robbery/panic, and other alarms representing less than 20% of false alarms. Using information gathered during interviews, the team believes that the mix of alarms in Franklin is similar to other municipalities. Those interviewed reported that auto alarms were an insignificant portion of the total false alarms. The police department may wish to consider a more useful means of categorizing false and unintentional alarms. Better information about the type of false alarms may provide the police and township with more specific information with which to help reduce the number of false alarms.

Franklin patrol officers report that the minimum consumed time for a false alarm is approximately 15 minutes. Accordingly, we compute false alarms consumed 360 hours of patrol time in 1999. This equates to one officer spending 30 workdays responding to false alarms. We compute the value of this time at the 1999 average patrol officer's hourly rate (without benefits) of \$22.17 to be \$7,981. In addition to consuming patrol time, risks due to increased driving speed and development of a complacent attitude among officers can lead to grave consequences.

The current ordinance, adopted in 1984 and not apparently amended, provides that the alarm owner must register their alarm system with the police, and annually renew the registration. Additionally, the ordinance provides an alarm owner can have five false alarms in each calendar year before the police require the owner to report on actions taken to eliminate the cause of the false alarms. When a report is received, the alarm coordinator determines if the reported action is likely to "substantially reduce" the number of false alarms. If the corrective action is sufficient the alarm may remain in service. If it is not sufficient the alarm owner may be required to discontinue the use of the alarm after a hearing process. The ordinance provides that not registering an alarm system shall result in a \$25 fee. The ordinance also requires that alarm installers notify the police of testing, provide audible alarm cut off devices that silence an alarm after 15 minutes, and require that any system installed have a battery backup system. A violation of the ordinance is answerable in municipal court. The maximum fine is \$200.

The police staff reports there is currently no alarm coordinator appointed. Additionally, those interviewed reported that the record keeping involved in tracking alarms was cumbersome and the department discontinued enforcing the ordinance shortly after it was adopted. More recently, the township discontinued monitoring alarms.

Those interviewed noted that in addition to hard-wired alarm systems, auto alarms at shopping centers and unintentional 911 calls have presented problems.

We believe the ordinance requires significant changes and enforcement to be effective.

If the township amended the alarm ordinance to allow just three false alarms a year, those interviewed estimated the annual number of violations would increase from 47 to over 150. We compute the township would realize an addition of \$3,750 in revenue from 150 false alarms. The township officials may also wish to include inadvertent 911 calls in the false alarm count for each property, and track false auto alarms by vehicle registration.

We also feel issuing a summons for a violation is a cumbersome means to obtain compliance.

Other municipalities have found civil penalties for excess false alarms are less cumbersome to process than court fines. In towns that impose fees for excess alarms, the economic incentive to avoid false alarms exists without the need to involve the court. For those who may choose to ignore the invoice for the fee, a municipal official can enforce the penalty under N.J.S.A. 2A:58-11.

Franklin's alarm ordinance mandates the owner to register an alarm system with the township. The annual registration fee is \$10. Because the ordinance has not been enforced, the number of alarm systems in the township is not known.

By registering each alarm, the township has a more accurate record of the alarm locations and owners. This registration information would assist with notifying property owners of problems at the alarm location in a timely way and with the preparation of the notification letters that the department generates for false alarms. Unregistered alarms are typically revealed when activated and a police response is required.

If the township were to begin enforcing the registration provisions of the ordinance and assuming 200 alarms systems were registered each year, the annual revenue enhancement would be \$2,000.

Recommendations:

We recommend that the governing body amend the alarm ordinance to reflect more modern practices. We further recommend the police department establish adequate record keeping systems to record false alarms with sufficient detail to permit an analysis of the type of false alarms received.

We recommend that the township retain the \$10 annual fee for alarm registrations. We further recommend the ordinance be enforced. The township may wish to encourage citizens with existing alarms that are not registered to register during an initial grace period.

Revenue Enhancement: \$2,000

Most of the functions relating to recording false alarms and notifying owners, invoicing and collecting fees are clerical duties. Some follow up enforcement and public education functions

are appropriate for the community policing officers. The team feels the department could handle the clerical alarm functions with the existing staff. Appropriate coordination with the county communication staff will be necessary.

Municipalities that successfully enforce alarm system ordinances send a written notice for every false alarm. This assures that each alarm owner is aware of each false alarm and the penalty for exceeding the threshold. Some computerized dispatch systems (CAD) have a function designed to print notices for false alarms. If such a module exists within the county system it would significantly automate this function. The township will experience some additional postage expense. Assuming the department sends 500 additional notices, the additional postage will be \$165.

Recommendation:

We recommend the chief review the organization of the alarm registration, recording, notification and billing function.

Internal Affairs

The internal affairs (IA) officer is responsible for the investigation of complaints against police officers, coordinate the investigation of officer weapon discharges, and conduct investigations on its own initiative, all with the goal of insuring the department's integrity. The New Jersey Attorney General promulgated Internal Affairs Policies and Procedures for all police departments. This directive reviews the proper handling of complaints ranging from minor and serious rule infractions to improper searches and arrests and crimes. Generally, the directive provides that the officer's supervisor should handle most complaints regarding minor infractions. A department should refer all complaints regarding repeated minor infractions, serious infractions, and other allegations to the internal affairs officer. The department must refer complaints involving possible criminal acts on the part of an officer, use of force by an officer, which results in serious injury or death, to the county prosecutor. The Division of Criminal Justice requires each police agency to submit a report of internal affairs complaints and dispositions to the county prosecutor at least annually but more frequently if required by the county prosecutor.

At the time of our review in Franklin, internal affairs were one of the responsibilities of the administrative lieutenant. Due to his retirement the function was in transition. The team reviewed the internal affairs records and interviewed various staff members. There was a discrepancy between the reported internal affairs investigations and those of which senior officers had a memory. Upon further review, we conclude the discrepancy occurred because the annual summary of IA complaints was filled out incorrectly. Some of the errors are noted later in this section of this report. During interviews with officers, some noted that even apparently minor complaints were recorded as internal affairs investigations. Some suggested that these investigations were used as a means of exerting authority over an officer for reasons unrelated to the IA investigation. While reviewing specific examples is outside the scope of this report, we find the assertions credible. If true, such actions would have contributed to poor morale in the department.

Recognizing the reassignment of internal affairs responsibilities presents an opportunity to correct shortcomings, we feel the chief may wish to review the Division of Criminal Justice Internal Affairs policy and procedures and monitor the internal affairs function more closely. In many well run police departments the chief has directed that the IA officer forward each complaint, other than minor complaints, to the county prosecutor with the preliminary investigation report. The prosecutor's office typically returns complaints to the department for local administrative action. This procedure provides all concerned with assurance that a third party is reviewing complaints and the handling of complaints.

The 1998 annual summary reported seven internal affairs complaints, one of which was carried over into 1999. During 1999, the department reported 16 internal affairs complaints plus three carried over from 1998. The 1999 internal affairs complaints are summarized in the following table:

Internal Affairs Complaint Summary							
Type of Complaint	Total Cases	Dispositions					Cases Pending
		Sustained		Exonerated (Officer acted properly)	Not Substantiated (insufficient evidence)	Unfounded (did not occur or insufficient information)	
		Criminal	Rule Violation				
Excessive Force	0	0	0	0	0	0	0
Arrest	2	0	0	0	0	0	0(?)
Entry	0	0	0	0	0	0	0
Search	0	0	0	0	0	0	0
Differential Treatment	0	0	0	0	0	0	0
Demeanor	17	0	6	0	4	2	3
Other	0	0	0	0	0	0	0
TOTAL	19	0	6	0	4	2	3(?)

The two arrest complaints were not recorded as disposed or pending. The six sustained demeanor complaints were unknown to all senior officers interviewed, and may have been recorded in the wrong column as sustained rather than exonerated.

Considering the community and the size of the police force, the complaints noted are unremarkable.

Recommendation:

We recommend the chief review and more closely monitor the internal affairs function and record keeping.

Property and Evidence

Law enforcement agencies have the responsibility for properly securing, storing, and controlling access to evidence. A properly run evidence room will reduce a municipality's exposure to liability and ensure that improperly handled evidence does not hamper criminal prosecution.

While evidence can take many forms, physical evidence is common and often voluminous. In Franklin, a detective manages the evidence room. He reports to the staff lieutenant. The detective learned the evidence room responsibilities on-the-job, and has not attended an evidence technician-training course. The evidence room is located within the police headquarters. While the evidence detective had not received formal training in evidence room operations, it was clear that the department's policies and procedures and in house training had resulted in the evidence detective being well acquainted with proper procedure.

The evidence detective maintains the manual logbook. There is no computer system entry. Were the department operating a local network, logging evidence on the network would provide evidence information to authorized personnel within the department without the need to physically review the manual evidence log.

Access to the evidence room is limited to the evidence detective, the detective sergeant and the chief. Officers with evidence initially tag and place evidence into a locking storage cabinet and then deposit the storage cabinet key through a key drop into the secure area. Later, the evidence technician logs the evidence into the evidence room.

The primary evidence room was very overcrowded, with large amounts of boxed evidence stacked on the floor. Larger items of evidence, such as long firearms and other large pieces of evidence, the primary room could not accommodate, were stored in another evidence room adjacent to the primary room. Those interviewed noted that many of the guns are in storage as a result of domestic violence complaints where a spouse has a gun collection that has been ordered to be confiscated by the courts. During our fieldwork, the team noted many other large items of evidence such as speakers and automobile parts stored wherever space permitted. We believe the evidence room will require significant additional space. Temporarily, housekeeping may alleviate some of the crowding, however, many items of evidence will require long term storage and evidence volume will increase. We trust the anticipated move of the municipal library to the new senior center/library building will allow for a reorganization of the municipal office space such that more space is available for the police department generally and the evidence room specifically.

Evidence is organized according to the name of the officer completing the incident report. Accordingly, if one has a case number, but does not recall the officers name, one must get the incident report or review the evidence log book to find the officers name and locate the evidence. Weapons such as knives and handguns were an exception. They were stored together within the room. Such a storage system can be cumbersome, as one must sift through several boxes containing all an officer's evidence, old and new, to find the evidence in question. Many other police departments have organized their evidence rooms according to case number. Commonly, a shelf location in the evidence room is associated with a case number, and all evidence connected with that case is placed at that shelf location. Large items are stored elsewhere, with a reference card at the shelf location.

The team tracked a number of items in the logbook. Each of the items checked was in the location specified in the logbook. Those interviewed reported no instances of difficulties finding evidence when needed.

The department has not conducted a complete inventory of the evidence room in the memory of those interviewed. The evidence detective accomplished a partial inventory and removal of unneeded evidence using officers on light duty about 1997. Evidence no longer needed may be destroyed with the permission of the prosecutor's office. The evidence has not been culled for items eligible for destruction since 1997. This task is complicated by the method of storing the evidence. One must go through each officer's box to find old cases where the evidence is no longer needed.

It is readily apparent that the evidence function requires a systemic overhaul. The evidence detective reports he spends approximately ½ of his time working with evidence handling. Accordingly, we compute the fully loaded wage costs for the evidence operation to be approximately \$40,000. We believe that the township can better use the detective's time by using civilian evidence technicians. We recognize the important security concerns with evidence. Other municipalities have successfully used retired police officers to operate their evidence rooms and transport evidence to the prosecutor's office. We believe that the township could employ two half-time evidence technicians for approximately \$15 per hour or approximately \$35,000 per year total. Initially, two technicians would be available to inventory the evidence and process evidence eligible for destruction. Afterwards, the township may find the work may require fewer hours each week.

Often, the police receive lost or abandoned property. Property that is not evidence should be stored separately from evidence. Due to the limited space, the department stores property and evidence together.

The department disposes of property and evidence, once it is determined to be not needed, by returning it to the rightful owner if possible. If the rightful owner is not known, the township either sells the property at auction pursuant to law. Guns, contraband, and other dangerous items are destroyed by incineration. The department had recently conducted a burn day at the time of our review.

Recommendation:

We recommend the township employ police officers retired from other jurisdictions as part-time evidence technicians and use the existing detective who handles evidence more fully as a detective. Said technicians should initially conduct a complete inventory of the evidence, and subsequently prepare unneeded evidence for return or disposal.

Value Added Expense: \$35,000

We recommend reorganizing the existing method of storing evidence to one similar to that discussed in this section of the report. In addition, we recommend additional space be allocated to the evidence/property storage function.

Vehicle Fleet

The police department has 14 marked patrol vehicles, two unmarked detective vehicles, one four wheel drive vehicle used primarily in emergency management and code enforcement activities, one unmarked vehicle assigned to the chief, and one DARE vehicle; totaling 19 vehicles.

Those interviewed report the department policy permits the chief and the detectives to routinely take vehicles home to permit them to respond more promptly to the scene of an incident. The township policy allows other vehicles in the department to be taken home by an officer providing the officer lives in Franklin Township. The chief assigns vehicles to be used primarily by two officers.

Those advocating having officers take vehicles home or otherwise have assigned cars suggest that having a marked vehicle in a neighborhood provides a deterrent effect on crime in the area. Additionally, the cars last longer due to lower mileage. Conversely, having assigned cars requires additional costly autos in the fleet than straight patrol operations would require if the vehicles were used more intensely.

Those interviewed report that a full patrol squad contains three officers and one sergeant. In addition, the community policing officers typically have one or two officers assigned for various functions as well as for general patrol. Accordingly, we compute that the department patrol function requires six vehicles. In addition, the department requires two marked reserve vehicles during breakdowns or accidents as well as for use on the occasions when three community police officers are on duty and on third party traffic details. Five vehicles are needed for the command staff and detectives. Accordingly, we compute the required fleet size is 13 vehicles plus the DARE vehicle.

This computation assumes three new vehicles (half the required patrol autos) are purchased each year. In 1999, the police budget provided for two vehicles; however, due to lower than expected expenditures in other areas of the police budget, a late year purchase of a third vehicle was possible. Moving two year-old autos into the reserve, detective and administrative fleet will result in the replacement of administrative cars after two additional years. Vehicles coming out of the detective and supervisory fleet can be used in other departments. A less aggressive replacement schedule would necessitate a larger reserve ratio to accommodate more breakdowns in the patrol fleet. We estimate moving six vehicles from the fleet will reduce auto insurance costs by approximately \$800 per vehicle per year. We did not attempt to estimate the sale value of six vehicles because we anticipate the older vehicles will have a nominal value.

Recommendation:

We recommend the police fleet be reduced to 14 by transferring the oldest vehicles to other departments, by trade-in, or by auction.

Cost Savings: \$4,000

Detective Bureau

The Franklin police detective bureau consists of one sergeant and one patrol officer assigned as detectives. The patrol officer is also responsible for vehicle fleet management and is responsible for the evidence room. The detective bureau staff reports to the staff lieutenant. The bureau had no clerical staff assigned.

During 1999, the detective bureau expended \$101,083 in salary and wages. Other expenses were not segregated within the police budget. The fully loaded wage costs were \$174,494. The 1999 overtime costs were \$13,537 or 16% of the bureau salary and wages. Eighty-two percent of the bureau's overtime wages was paid to the detective sergeant. Those interviewed reported that the 1999 overtime imbalance was a result of several involved cases that occurred while the sergeant was the duty detective.

One detective works weekdays 8:00 a.m. - 4:00 p.m. The other detective works weekdays 11:00 a.m. - 7:00 p.m. The detectives are each available during off duty hours when needed and alternate weeks when each is available to be called out. Those interviewed reported that once a case is picked up by the detective bureau, the officer who was first assigned or called out generally retains the case for investigation unless it is passed on to another jurisdiction. Reassigning cases within the bureau is very infrequent. This is fairly typical of a small bureau that does not have staff specializing in types of crime.

The police department did not keep records regarding the number of cases being referred to the bureau or the number of open and closed cases in the bureau. Accordingly, we were not able to review the caseload per detective. Those interviewed were not sure what the caseload for each detective was and were not able to estimate the number of active vs. inactive open cases. While the State Police track crime occurrences by municipality, they do not track case clearances by municipality because clearances may occur from unrelated arrests in other jurisdictions or for administrative reasons. The bureau did not keep case clearance statistics either. Accordingly, we were not able to compare clearance rates or review the appropriateness of cases cleared administratively. Many well-run police departments will track clearance rates for each category of UCR crime and many non-UCR incidents. Clearance rates can then be tracked against the UCR incident statistics. Clearance statistics should also indicate the means of clearance. For example, distinguishing cases cleared by arrest from those cleared administratively is important. In addition, tracking the reasons for administrative clearance is important. Equally important is having a sound policy and procedure for administrative clearances.

Cases were typically referred to the detective by the patrol division as a follow up to an incident. Other cases were developed in the bureau as an offshoot to the reported incident. As is noted in the patrol section of this report, the department operates such that the patrol division handles most incidents requiring investigation. The duty detective is called only for more serious crimes such as aggravated assault and crimes requiring involved evidence collection. Those interviewed reported that patrol officers are free to call the duty detective to obtain telephone advice on incidents that ordinarily would not result in a call out.

The detective bureau staff appeared to have a good working relationship with other police agencies and shared information with other agencies.

Recommendation:

We recommend the chief establish a system of routine data collection for the detective bureau to more effectively measure case loads and clearance rates.

Community-Policing Unit

The community-policing unit (CPU) consists of three officers reporting to the staff lieutenant. The unit was formed when the township received a federal grant to hire additional officers in 1996. The new officers were fully funded by the township in the year 2000 budget. The unit is responsible for conducting the drug abuse resistance education (DARE) program in the schools and working with neighborhood watch and other community groups. The three officers assigned to the unit are scheduled to work an eight-hour shift five days on and two days off. The officers typically work the day or evening shift over the entire week permitting them to supplement the patrol force during the hours when more calls for service are reported to occur and meet with DARE classes and community groups at convenient hours. The unit is also involved in organizing Franklin's National Night Out program and provides community outreach at other community events.

A number of officers noted that at times that cooperation between the CPU and patrol is not always productive. Some attribute this to the manner in which the unit was formed with newly hired officers rather than soliciting interest from existing officers. Others suggest that friction may exist because CPU officers are generally involved with affirmative activities such as DARE and meeting with community groups, while general patrol officers are handling the negative policing activities. We believe both view have some validity. While no one can change the history on how the unit was formed, we understand the chief is aware of the issues and will continue to work toward improving cooperation between the CPU and patrol.

Prisoner Handling

The New Jersey Department of Corrections has inspected the two holding cells in the police headquarters. The results of the inspection are unremarkable. During the 12 months ending March, 2000, 289 male and 23 female prisoners were detained in the Franklin lock up. No prisoners were held for over 24 hours. Officers report that, while the cells are typically adequate for the prisoner population, at times a large number of arrests and problems in moving prisoners to the county jail result in prisoners being shackled to benches in the operations room. The team noted that the department does not have a sally port in which prisoners can be moved in and out of vehicles. Accordingly, prisoners are moved through unsecured areas. Should the township proceed with remodeling the town hall building, adding a sally port should be included in the plan.

Prisoners are ideally transported to the county jail shortly after they are processed. This is desirable during non-business hours because monitoring the prisoner takes an officer off the street. Officers report that at one time Gloucester County Sheriff's Department picked-up

prisoners; however, it is now rare that prisoners are picked up. Officers also report difficulties delivering prisoners to the county jail during lockdowns and prisoner meal times. Many felt personnel issues and morale problems in the sheriff's office have contributed to the problems housing prisoners at the county jail.

Since the township moved its dispatching operation to the county, dispatchers are no longer available to monitor prisoners in the police headquarters. Accordingly, the police have used creative means to house prisoners in neighboring municipalities that have staff monitoring prisoners until such time as the prisoner can be taken to the county jail. This practice returns the officer to patrol more quickly. Unfortunately, as more towns join the county dispatch, fewer are available to provide monitoring.

The housing of prisoners at the county jail and the interim monitoring of prisoners appear to be an issue that affects many towns in Gloucester County. Accordingly, it appears to be ripe for a cooperative solution. We encourage the chief to work with the sheriff and other chiefs in the county to explore creative solutions to the prisoner-handling problem.

Recommendation:

We recommend the chief initiate discussions with other county chiefs and the sheriff in an attempt to resolve prisoner-handling difficulties.

PUBLIC WORKS

The Franklin Public Works Department is separated into four general functions: sanitation (garbage & trash removal), road repairs & maintenance, grounds maintenance and vehicle maintenance.

There are currently 25 full-time employees in the department. They also employ three seasonal employees who work eight months out of the year and are assigned to sanitation. In the summer, the township employees six or seven students to help with the various recreation fields. Among the full-time employees are the public works superintendent, the parks and recreation foreman, the sanitation foreman, and a senior administrative clerk. The superintendent and foremen each have individual, one-year employment contracts. The contracts enumerate responsibilities, provide job descriptions, and spell out salary and benefits. The remaining employees are classified as laborers, truck drivers or mechanics and are represented by the American Federation of State and Municipal Employees, District Council 71, Local 3574.

The township paid a total of \$870,392 in employee position costs in 1999, of which \$468,676 was in sanitation. The department operating expenses for the same period, including encumbrances, totaled \$243,454. Of that amount, \$168,158 was for non-sanitation functions and \$75,296 in sanitation. Records indicate that Franklin paid out \$38,074 in overtime in the public

works department during 1999. This represented just over 5% of the department's total salary and wage expenditure for the year. Total department sick time amounted to only 1,400 hours, or 3% of the scheduled work time.

The team commends management for keeping sick time and overtime to a minimum.

Sanitation

The sanitation division performs weekly curbside trash pick up for all Franklin Township residents. Trash is picked up Tuesday through Friday based on geographic zones, one zone for each day. The township has four 31 cubic yard trash compaction trucks that are used for daily trash pick up. Three of these are routinely sent out and one is held as a spare. The township also has a 25 cubic yard trash truck that is used primarily for recycling cardboard and paper. Each trash compaction truck is staffed with a driver and two laborers. The crews usually finish their routes by early afternoon each day. When the routes are complete, the two laborers are returned to the public works yard for re-assignment, and the driver takes the trash truck to be emptied.

The department's 1999 year-end report stated that 6,958.28 tons of trash were collected and disposed of in 1999. During 1999, there were no restrictions on where the township could take their trash. Accordingly, the township shopped around for the lowest tipping fee. During 1999, the township used three disposal facilities: the Gloucester County Improvement Authority incinerator in Westville, New Jersey, the Cumberland County Improvement Authority landfill, and American REF-FUEL in Chester Pa. The total amount paid in tipping fees to these three vendors was \$314,329 (\$45/ton). Labor, maintenance and capital equipment costs amounted to another \$308,563 (\$44.17/ton). The total collection and disposal cost was \$622,892, or \$89.17 per ton.

The team is familiar with other communities in southern New Jersey that have in-house curbside trash collection and hauling at \$45 and \$60 per ton, excluding the tipping fee. The team is also familiar with competitively bid collection contracts that have resulted in curbside collection costs (excluding the tipping fee) approximating \$46 per ton. Franklin's cost per ton for collection and hauling is very competitive.

The American Public Works Association reports that the national average for public sector trash collection is 600 stops per eight-hour day. They also report that the national average for private sector trash collection is 700 stops per eight-hour day. Management in Franklin Township reports that their trucks routinely pickup 400 to 450 stops per day. The team observed trash trucks making pickups shortly after 7 a.m. and returning between 12 noon and 1:00 p.m. Based on an average day of 5.5 hours collecting and hauling trash, we compute the average crew's eight-hour equivalent to be 581 to 655 stops.

Based on the cost per ton for collection and hauling and the stops per day we conclude that the trash collection operation is operating efficiently.

We commend the township and the public works department for an efficient and cost effective sanitation division.

Franklin is experiencing increased cost for trash disposal due to a mandate that all the municipal waste must be taken to the Gloucester County facility. The county tipping fee as of January, 2000 is \$61 per ton, well above the \$45 per ton average Franklin paid in 1999.

Recycling

The sanitation division also conducts biweekly curbside recycling. They use two vehicles for this function, a 25 cubic yard, rear loading, compaction trash truck for paper and cardboard, and a compartmentalized truck for glass, metals and plastic. Recycling is also conducted Tuesday through Friday following a schedule that coordinates with the trash pick up schedule. The township is divided into recycling collection zones that are color-coded. An annual calendar and color-coded map is published and distributed to all residents showing the zones (pink or blue) and the corresponding weeks when recycling will be picked up in each zone. Newspaper, cardboard, glass bottles, aluminum, tin cans and plastic containers are recycled in this manner.

The township spent \$132,888 to provide curbside recycling for its residents in 1999. This included labor, capital equipment costs and maintenance. The program recycled 976.1 tons of material resulting in a gross cost of \$136.14 per ton. The disposal costs associated with some of the recyclable consumed all but \$148 of the revenues received from the program. Accordingly, no significant reduction in the gross cost per ton occurred due to the sale of recyclables. Recycling does save the township significant sums over what would be spent if the recycled material was disposed of at the trash rate.

The team compared the Franklin cost per ton with what Egg Harbor Township's was paying for biweekly, curbside recycling under a contract with the Atlantic County Utilities Authority (ACUA). Both townships have large rural areas, however EHT has almost twice the population and in 1998, their recycling tonnage was over three times that of Franklin's. EHT paid \$117.56 per ton in 1998, almost 14% below the 1999 Franklin Township cost. We attribute the disparity in price to economies of scale, resulting both from the larger number of stops in EHT and the fact that the ACUA is a regional recycling operator capable of negotiating better commodity prices for large amounts of recycled material. Accordingly, while it appears that the Franklin recycling operation is well run; it is not able to operate as efficiently as a regional operation such as the ACUA. We understand from those interviewed that the county has been reluctant to begin operating a regional recycling collection program. We believe that a regional operation would improve the efficiency of this operation.

Recommendation:

We recommend the township explore the possibility of regional service for recycling with Gloucester County and possibly Atlantic County.

Other Waste

The township also conducts curbside collection of bulky waste and branches via a separate collection schedule that requires the residents to contact public works to arrange pick up. They also collect leaves at curbside twice per year, once in the spring and once in the fall.

Leaves, brush, bulky items and recyclables are taken to the township recycling center where collection crews deposit recycled materials into large roll-off containers before transporting them to various vendors. Management monitors the recycling market for those items that have a market value weekly to insure that the township receives the best price for their material. The center is open to township resident's two days per week. Residents may also take waste crankcase oil to the public works yard for recycling. The Gloucester County Improvement Authority also conducts waste collection programs for household hazardous materials at various times during the year.

Grounds Maintenance

The public works division is primarily responsible for special projects and parks maintenance. The team was able to see some of these projects first hand, including the demolition of a building, a roadside drainage project and bulkhead repairs to a township dam. During the months from March through November of each year, the public works division spends most of its time maintaining parks and recreation facilities. This includes grounds and facility maintenance for all recreation fields and facilities. Maintenance of recreation facilities will be covered in more detail in the recreation portion of this report. The township has 1,629,000 square feet of parks that it maintains plus an additional 32,500 square feet of lawn located at various public buildings throughout the township.

The department of public works has actively sought out cooperative arrangements with the local school boards, neighboring municipalities and a major recycling facility in the community. The school boards and the department regularly share equipment. Each of the buses that the township uses for senior citizen transportation were obtained from the local school. The township has also shared equipment and parts with neighboring municipalities. One example of how well this cooperative arrangement works involved Franklin Township trading to receive paving services from a neighboring town. In this example, the township accepted all the discarded Christmas trees from one town in return for that town paving their public works yard. In another example of cooperation between the public works department and local businesses, the township is able to save considerable tax money because a large recycler in the township accepts brush from the township at no charge. The table below demonstrates the value that this arrangement has brought to the township since 1996.

YEAR	CUBIC YARDS	SAVINGS*
1999	3,233	\$22,631
1998	2,600	\$18,200
1997	3,541	\$24,787
1996	3,061	\$21,427

*Based on an average cost of disposal of \$7 per cubic yard.

Since Franklin is a heavily wooded area, the department is responsible for recycling a large amount of leaves. In 1999, they recycled approximately 8,300 cubic yards of leaves (based on 2.86 cy of vacuumed leaves = 1 ton) without incurring any disposal costs or the cost of operating a major compost facility. This was accomplished through an agreement with a local business that accepts all the leaves from the township without charge.

We commend the Township of Franklin and the public works department for actively seeking cooperative arrangements with neighboring communities, local public entities and local businesses in an effort to conserve resources and save tax dollars.

N.J.S.A. 40A:9-154.6g requires that, as of January 1, 1997, the governing body or chief executive officer of each community appoint a certified public works manager. The statute goes on to explain the criteria for certification as a public works manager and how the certification is to be renewed. The director of public works in Franklin has fulfilled all of the necessary qualifications; he has been certified and has been appointed as the principal public works manager, thus meeting the statutory requirement.

Vehicle Maintenance

Franklin Township employs two full-time mechanics that carry out routine preventive maintenance and general repairs on all township vehicles and equipment. All repairs are recorded through a work order system, which identifies the equipment being repaired, tracks the time spent, the parts used and comments regarding the vehicle. This information is then recorded in a computer program for future reference. The team used a technique referred to as “vehicle equivalents” (VE’s) to evaluate the staffing level needed to provide vehicle maintenance. The process was developed by the United States Air Force and is recognized by various fleet maintenance-consulting firms as one of the best guidelines for analyzing staffing levels. The method is based on the average number of hours of maintenance and repair that are required for a vehicle receiving full-time use. The analysis calls for defining a piece of motorized equipment in terms of how many VE’s are required to maintain it for one year. An automobile requires 17.5 hours of maintenance per year while a trash compactor truck requires 136 hours of maintenance per year, or roughly eight times that of a passenger vehicle. Accordingly, a trash truck is equivalent to eight automobiles, or eight VE’s.

The team reviewed the 1999 fixed asset inventory and calculated that the Franklin Township fleet of motorized vehicles and equipment added up to a total of 189 VE’s, requiring 3,307.5 hours of maintenance and repairs. This total includes all 18 police vehicles at 1.5 VE’s per vehicle. However, the township and the Franklin Board of Education have a shared services agreement that calls for the board to provide preventive maintenance for half of the cars in the police fleet in return for the township providing and installing a lift in the school board garage. This reduces the total VE’s to 175.5 and would require 3,071.25 mechanic hours.

Manpower records for 1999 show that both mechanics were available to work a total of 3,533 straight hours. This included 3,180 hours of mechanic work and 353 hours of other public works activity. They also put in an additional 80.5 hours of overtime. Assuming the overtime hours were spent on maintenance and repair, total mechanic hours amounted to 3,260.5 in 1999. Accordingly, we conclude the time available was within 6% of the computed time required.

Another method used to evaluate in-house vehicle maintenance programs is the “burdened labor” cost of the program. Burdened labor is an hourly rate based on the total amount of money that the municipality spends to provide vehicle maintenance. This includes labor and benefits for mechanics, clerical and administrative staff, tools, utilities, debt service, maintenance and

replacement of plant and equipment, other costs such as uniform services, waste disposal, technology support, etc. This total cost is then divided by the number of hours that the mechanics are actually available to work on the equipment. The resulting hourly burdened labor rate is then compared to the standard industry rate for mechanics in the area.

In the case of Franklin Township, the team found that the burdened labor rate was less than \$30 per hour, well below the area rate of \$45 per hour, and less than the hourly rate being paid to the board of education.

We commend the department for operating an in-house vehicle maintenance program on such an efficient level. The township may wish to consider providing vehicle maintenance for all of their police vehicles in-house or renegotiating the agreement with the board of education.

COMMUNITY DEVELOPMENT

The department of community development is organized to include the planning board, zoning board of adjustment, the economic development commission, code enforcement, and various professional, inspection and clerical staff. The community development director heads the department. The department is staffed by the director, two administrative clerk's, and a part-time zoning officer (the employee is full-time but is shared with the construction office). This staff, along with the engineer, provides expertise to the volunteer planning board and zoning board. In addition, the department administers the inspection of improvements by developers to ensure that they are in compliance with the approvals given. Total salary costs for the department, including statutory costs and benefits, totaled \$138,598 in 1999. Operating expenses for the same period were \$115,080.

The director serves as the township planner and is the technical advisor to both the planning and zoning boards. He also provides direct, personal guidance to citizens or entities that are interested in developing property in Franklin. The clerical staff includes the administrative clerk and the assistant administrative clerk. These two positions are the front line contact with the public, performing various office duties including record keeping, secretarial, answering basic questions on planning and zoning, helping citizens with land use applications, organizing documents and preparing minutes for both the planning and zoning boards. The administrative clerk also serves as the planning board secretary and the zoning board secretary. The zoning officer reviews all plans for proposed development to insure compliance with state, county and local zoning regulations.

Franklin Township is a predominantly rural area with many farms. Its land use ordinance was not passed until December of 1979 and many of the residents are accustomed to making improvements to their property without the benefit a zoning permit. The team found a common theme among community development staff and board members: there was a conscious effort to accommodate citizens and help them through what many would call a complicated, restrictive land use process. Both the community development director and the zoning officer recognize

that socio-economic pressures in the township are fostering an ever-increasing number of home businesses that fall somewhere between commercial development and in-home commerce. They also recognize that these emerging types of businesses need to be blended into the commercial fiber of the township without having to conform to the strict, more expensive, standards that traditional ‘bricks and mortar’ developments do. To meet this challenge, the township is re-writing its land development code and adding new sections to administratively regulate home businesses.

We commend the township for taking a pro-active approach to the changing face of commerce within their community by developing regulations to administratively control its development without stifling its growth.

Planning Board and Zoning Board of Adjustment

Section 35-18 of the Franklin Township Code requires those submitting applications to the planning board or the zoning board to pay an application fee based on the nature and complexity of the application. In 1999, the township received \$12,412 in fees through planning board applications and \$11,493 through zoning board applications. In 1998 those figures were \$17,219 and \$12,563 respectively. In addition, the applicant is required to deposit funds into a plan review escrow based on the complexity of the application. During 1999, the department collected \$60,530 in developer escrow deposits. In 1998, escrow fees totaled \$62,857. The township uses the escrow to pay for the professional expenses of reviewing the application. The original escrow amount depends on the size of the proposed project, as required by the township code and permitted by N.J.S.A. 40:55D-53.2. When the review expenses exceed the amount on deposit, the township requests additional funds from the developer.

Each board meets once per month to address land use issues relevant to their scope of responsibility. The community development director and the administrative clerk attend the meetings. The zoning officer also attends the zoning board meetings.

The municipal engineer also serves as the planning board and zoning board of adjustment engineer. He does not receive a separate retainer from either board; all charges for services are paid out of land use escrow accounts rather than tax dollars. State law does not require that either of the boards hire their own engineer. The use of the municipal engineer is a practical example of shared services within the municipality. Authorization for the engineer to provide these services is found in the professional service contract that was issued by the municipal government.

The team commends both boards for their use of the municipal engineer rather than hiring a separate engineer for each board.

One attorney represented both boards in 1999. Each board appointed the attorney by resolution. The attorney was paid a retainer of \$6,000 from each board in 1999. Interviews with staff indicated that the time spent in meetings varied between boards, with the planning board meetings generally taking more time than the zoning board meetings. The attorney estimated that he spent between five and seven hours drafting resolutions, communicating with staff and

applicants and doing legal preparation for each meeting. When combined with actual time spent at the meetings, the attorney's retainer for each board translated into an hourly rate of between \$50 per hour and \$72 per hour, well below the attorney's litigation rate of \$125. The retainer was increased to \$8,000 for each board in 2000 and that the hourly rate for litigation was decreased to \$110 per hour. LGBR has found the average litigation rate for Gloucester County for municipal clients is between \$120 and \$125 per hour.

The team commends each board for keeping their legal costs below the average of the county.

The resolution appointing the attorney authorized the chairs of the respective boards to enter into an agreement with the attorney without competitive bids as allowed under the "professional services" section of the Local Public Contracts Law (N.J.S.A. 40A:11-1). The statute requires the governing body to meet certain requirements when issuing a contract under the 'professional services' exemption to public bidding. We discuss the shortcomings in the notification process in the clerk's office section of this report.

Staff in the municipal building was unable to locate signed copies of these contracts, however the attorney did produce unsigned copies of each.

Recommendation:

We recommend that each contract be on file with the township clerk.

Economic Development

Franklin Township has two centers of commercial activity, the villages of Malaga and Franklinville. The township has very little industrial development and no formal industrial parks. Most of the commercial activity in Franklin Township centers around service related businesses.

Those interviewed reported the main reason for the lack of commercial and industrial development in the township is the absence of public sewer and water. The team learned that only one property in the township is tied into a neighboring community's public sewer system. That property has significant environmental liabilities associated with it. Importantly, officials reported a desire to maintain the rural character of the township. Without sewer, and to a lesser degree, water infrastructure it will be difficult to attract new non-residential development to the township.

Another significant factor for retail establishments is the existence of two urban enterprise zones (UEZ) in nearby municipalities. Because UEZs are permitted to charge a lower sales tax (3%), many shoppers from neighboring areas, such as Franklin, are attracted to UEZ retailers.

The township committee and the director of community development have recently initiated a dialogue with the local business community in the form of a "business person's breakfast." They plan to reach out to the existing businesses in the community and find ways that the local

government can help them grow and prosper. The event was well attended by the local businesses and was used to open the lines of communication with city hall. The director plans to continue this approach with quarterly meetings.

We commend the township for initiating this program to communicate with existing businesses.

UNIFORM CONSTRUCTION CODE (UCC)

The division of inspections is part of the department of community development. They handle all matters relating to the New Jersey Uniform Construction Code and the related inspections, plan review, building permits and certificates of occupancy.

The following table illustrates the permit activity over three years:

Year	New Permits	Permit Updates	Construction Value
1997	441	45	\$7,478,575
1998	493	67	\$7,307,513
1999	524	76	\$10,747,227

The township added an average of 64 residential units per year from 1997 through 1999. The township issues approximately 13% of its permits for new home construction. Approximately 10% of its permits are for residential additions. The overwhelming majority of the rest are for remodeling or additions at both residential and non-residential sites.

The staff includes a construction official who also serves as the building sub-code official and fire sub-code official, a part-time electrical inspector, a part-time plumbing inspector, and two clerical support staff. Each sub-code official does both plan review and all field inspections for their sub-code. Neither of the part-time sub code officials receives health benefits or paid leave. One building inspector/plumbing inspector works approximately 20 hours per week for the UCC office and the balance of his time as the zoning officer.

We estimate the UCC portion of the township staff equals 1.8 full-time equivalent positions. The State of New Jersey provides elevator inspections where required. In 1999, the salary and wage expenditures totaled \$93,359. Other expenses were \$22,668. The fully loaded wage costs were \$121,172.

Financial

The township currently dedicates construction code revenues to UCC purposes within the current fund budget. "Dedication by budget" describes the budget process whereby the UCC budget revenue is anticipated in the annual municipal budget to support the expenses of the office. The DCA also permits municipalities to dedicate UCC fees "by rider." "Dedication-by-rider" is simply a means of using UCC revenue for UCC expenses without affecting the current fund budget. Municipalities typically dedicate by budget for expenses that are largely unaffected by

seasonal fluctuations in construction activity, for example the costs associated with direct employees. Municipalities typically use ‘dedication by rider’ for expenses that vary with the volume of permit activity, such as third party inspection contracts. Dedication-by-rider is beneficial in cases where the township realizes permit income in one budget year but incurs the expense of third party inspections in a subsequent year. It is also valuable for matching income and expenses when the volume of construction is difficult to predict. When the municipality dedicates UCC fees through the budget, revenue that exceeds expenses adds to the municipal surplus each year. Funds dedicated by rider are reserved in a trust account, which is used to pay the expenses associated with the revenue.

The township allocates direct and indirect wages, benefits and other overhead against the revenue generated from permit fees in accordance with the methodology established by the NJDCA. When revenue is significantly above or below expenses over time, the municipality must consider reviewing both the operational needs of the construction code office and the fees charged for the permits. In Franklin, the construction code office has been a self-supporting operation for the three years reviewed by the team. Those interviewed reported that the last fee increase for construction permits was adopted in 1992.

DCA recommends that surplus should not exceed 20% or \$100,000 over a three-year period.

We commend the township committee for maintaining the construction code office on a self-sustaining basis.

Technology

The office operates permit-tracking software provided by DCA. The software provides a variety of management reports in addition to those required by the state.

The construction code office maintains all of its plans and records on paper. The office has its archival files in the construction office. Generally, the files and plans are well organized. Those interviewed stated that they had not requested destruction approval for plan and applications no longer necessary to be on file. Space needed had not yet dictated the culling of files, and having older files on hand had proven helpful from time to time. The team’s observation was that space in the office was limited, and that culling records eligible for destruction could provide additional file space without the use of additional floor space.

Recommendation:

We recommend the construction official and the principal clerk work with the township clerk to review the record retention schedule and prepare a request for record destruction. The approval from the state library for record destruction should be in hand before the township destroys records.

Microfilming of files and plans may provide a means to reduce the volume of archival material. The team estimated that microfilming new plans and files would cost approximately \$5,000 per year.

Building Code Effectiveness Grading

The insurance service office (ISO) is an organization upon which property insurers rely for an impartial evaluation of building codes and code enforcement. Insurers, in computing property insurance premiums, use the ISO Building Code Effectiveness Grading to quantify the municipal effort to mitigate property damage due to natural disasters. The ISO studies the administration of the building code, the plan review function, and field inspection. The review includes an evaluation staffing levels and quality assurance.

Classifications range from one to ten, with ten representing less than the minimum recognized protection. Franklin Township received a classification of three for one and two family dwellings, and a three for all other construction. An ISO representative reports that four represents a very good classification and would apply to all new structures built or remodeled after the rating date. According to the ISO representative, no agencies in New Jersey have achieved a one. Rating deterioration below a 'six' may affect commercial insurance premiums incrementally. Greater deterioration may begin to affect residential insurance rates and may affect commercial rate more dramatically.

We commend the township for a diligent and professional UCC office.

The ISO report indicates that improvements are possible in the area of increased staffing for plan review and inspection.

Staffing

ISO has established a benchmark for plan review of one commercial or two residential reviews per staff person per day. Building sub-code staff in New Jersey Municipalities report that to review a typical residential plan takes between one-half hour and one hour of uninterrupted time. Commercial plans vary more, but generally take one-half day or less. Importantly, these time estimates do not include the clerical time needed to process a permit application.

NJDCA staff performed a staffing analysis for the UCC related activities. DCA has determined that the township has properly staffed this division based on the number of permits issued in 1999. The staffing analysis shows that the township has staffed the technical sub-codes slightly below the low end of the recommended range. The multiple licensing of the sub-code officials and the delegation of many administrative duties to the clerical staff mitigates the understaffing. The current staff hours do not contain much capacity for additional permits over the current volume. Accordingly, one may anticipate that when permit activity is high, the office may need additional staff time.

Plan Review and Inspection Process

The construction official conducts plan reviews and office hours each morning and inspections each afternoon. The part-time building inspector spends all of his UCC time on inspections.

Those interviewed about the construction office expressed concerns that the office had more than its share of public relation problems.

Upon further inquiry, most everyone agreed that strict compliance with the uniform construction code was an asset to both legitimate builders and owners. The irritation appears to revolve around the frustration of the staff and the public regarding non-construction code issues, such as health department or Pinelands regulations, that can delay the issuance of a permit. Customers can also get frustrated when the construction official is not available to assist with questions. We recognize that in a small office such as Franklin's, the code official must perform inspections and plan reviews in addition to the daily administrative duties and needs uninterrupted time to accomplish these tasks. Additionally, we recognize that at times individuals ask for help that should be directed to an architect or engineer. However, more commonly the construction official can provide helpful information to individuals to expedite the permit process and ease the construction and inspection process. Based on the number of comments received regarding the negative perception of this office, we feel improvements should be made both by educating the general public about the limitations of the construction official's authority and educating the construction official regarding the need to provide assistance to individuals who may not be familiar with the requirements for getting a permit.

Recommendation:

We recommend the township administrator and the construction official work on improving the public perceptions of this office.

EMERGENCY MANAGEMENT

A lieutenant in the police department coordinates the Franklin Township Office of Emergency Management. He has developed and written an Emergency Operations Plan as authorized by the Emergency Management Act. The State Police, Emergency Management Section approved the Franklin plan without recommendations in July of 1999. The team found the Emergency Operations Plan to be well organized and readily accessible. All annexes were reviewed and approved by the Emergency Management Coordinator (EMC) in 1999.

The township provides funding for emergency management through the municipal budget. In 1999, the township budgeted \$7,050 for other expenses. The actual amount expended for that period was \$5,261. Since the EMC is a full-time police officer with other responsibilities, there is no separate line for emergency management salary and wages.

The EMC stated that the yearly exercises are conducted involving at least seven of the emergency management functions or annexes. During our review, the township emergency management conducted a drill, which involved the local high school officials, county agencies and local and county law enforcement units. The drill was conducted in an effort to heighten school crisis awareness and develop a plan that school and emergency officials could rely on during any school emergency. The drill involved only adults and was observed by the Gloucester County Superintendent of Schools, neighboring school officials and representatives from neighboring police departments. The resulting plan has been forwarded to area schools for review and possible implementation.

The team commends the Franklin Township EMC and the Delsea School District for taking the initiative to develop a plan for dealing with crisis in their schools.

The emergency management office is a separate room with a separate entrance located adjacent to the police department entrance. The office has telephone and radio communications as well as cable television, fax and Internet access. The alternate emergency operations center is located in one of Franklin's volunteer fire halls. It also has telephone and radio dispatch capabilities.

The EMC had recently dealt with a rather unique emergency just before the team conducted this review. A large poultry processor in Franklin suddenly abandoned the plant. Both live and processed chickens were abandoned at the site. By the time the problem was discovered all of the refrigeration equipment had stopped running for an extended period. The result was over 100,000 pounds of rotted, decaying chicken in the building, creating a public health hazard. The EMC, after conferring with the regional EMC, declared a disaster. This paved the way for funding to clean the area.

The team commends the emergency management coordinator for taking decisive action under unique and difficult circumstances.

Right-to-Know

The emergency management coordinator administers the New Jersey Worker and Community Right-to-Know program. The Right-to-Know law and regulations require users and producers of hazardous materials to survey its premises, properly label each container of hazardous material and maintain a file with information about each product. Additionally, the regulations require surveys to be completed every two years, with copies provided to the police and the relevant fire district and that employees be trained regarding the materials to which they may be exposed. A municipality must comply with the requirement of the law and regulations, both as an employer with work places that have hazardous material and as a depository of information from all businesses in the township. A review of the records indicated that the township has conducted surveys to locate and identify hazardous materials in its facilities and provided training for its employees. The township performed its last survey in 1998.

All records for these facilities are maintained in the emergency management office. Each department should also have a copy of the information for each hazardous material used by the department readily available.

PUBLIC LIBRARY

History

The origins of the library system in Franklin Township dates back to 1965 when Miss Helen S. Richman built the Richman Public Library on old Delsea Drive. The library became home for the Richman collection of books, which were loaned to area residents.

In December of 1965, Miss Richman deeded the library to Franklin Township. At that time, the township committee appointed a library board of trustees forming the township library, which opened on June 13, 1966.

In 1986, the library moved to its current location adjacent to the township's municipal building. The library is named for Joseph Grochowski who donated the land to the township on which the library stands.

Board of Trustees

The board of trustees of the Franklin Library was incorporated on April 7, 1966. The board has nine members appointed by the mayor with the consent of the township committee. The members meet once every month and are responsible for the financial and operational policies and affairs of the library. A treasurer's report is prepared each month. The report details every bank and investment account that is maintained by the library. The treasurer's report and the current bills to be paid are reviewed and approved each month by the board.

Organization/Staffing

Nine employees, three whom are full-time, staff the library. The full-time staff consists of the director and two library assistants. There are two 25-hour per week and two 10-hour per week library assistants. In addition, there are two part-time pages that are high school students. There are no labor agreements covering the library employees. According to the 1999 New Jersey Public Library Statistical Report, the library has seven full-time equivalent positions.

Circulation

The library is open a total of 50.5 hours per week, 10:00 a.m. until 8:30 p.m. on Monday, Tuesday, and Thursday; 10:00 a.m. until 7:00 p.m. on Wednesday and Friday; and Saturday 10:00 a.m. until 3:00 p.m. There are no Sunday hours at any time during the year. These hours remain consistent throughout the entire year. The team observed the library at various times during operating hours. Typically, there were always several people browsing the stacks, using the computers and speaking with the staff.

According to the 1999 New Jersey Public Library Statistical Report the 1999 library budget was \$218,427. Approximately 54.6% of the budget was for salaries and benefits and \$57,030, or 26.1%, was expended on materials.

The total circulation in 1999 was 88,527 volumes, or 5.85 volumes per capita, a 34% increase over 1998.

The library also sponsored 108 programs with 1,580 participants throughout the year. These programs consisted of story-times, walk-in crafts, and workshops for children.

Comparison Analysis

The following analysis utilizes certain statistical data obtained from the 1998 Analyses of New Jersey Public Library Statistics that measures the financial and business operations of public

libraries. Our analysis compares Franklin's library with Bridgeton (Cumberland County) which has a comparable population and expenditures. Woodbury and Deptford are included as municipally operated libraries within Gloucester County.

	Franklin	Woodbury	Deptford	Bridgeton
1998 Population Served	15,380	10,520	25,058	18,096
1998 Total Expenditures	\$223,807	\$236,599	\$451,081	\$324,753
Local Tax Rate (Equalized Valuation)	\$0.0353	\$0.0541	\$0.0337	\$0.073
Circulation Per Capita	4.3	3.5	1.6	2.5
Circulation Per Volumes Held	2.4	0.8	0.7	0.7
Circulation Per Hours Open	1,296	800	737	727
FTE Staff per Week Hours Open	0.14	0.10	0.13	0.13
Total Expenditures Per Capita	\$14.55	\$22.49	\$18.00	\$17.95
Total Expenditures Per Circulation	\$3.39	\$6.43	\$11.34	\$7.20

In comparison with the selected regional counterparts, Franklin compares favorably in both an operational and cost efficient library administration.

The table below compares the Franklin Township Library with the statewide averages of all libraries in Franklin's population and expenditure grouping:

Category	Franklin	Population 15,000 - 19,999	Total Expenditures \$200,000 - \$349,000
Population Served	15,380	17,184	10,486
Equalized Valuation	\$583,568	\$1,446,847	\$701,369
Local Tax	\$205,734	\$638,532	\$263,135
State Aid	\$15,446	\$18,902	\$9,924
Total Income	\$243,467	\$731,059	\$290,328
Salary Wages & Benefits	\$120,903	\$482,043	\$178,471
Library Materials	\$48,792	\$103,487	\$39,211
Total Expenditures	\$223,807	\$708,633	\$269,931
Professional Certified Staff	1.0*	4.0	1.3
Professional % of Total Staff	14.3*	28.6	22.4
Full-time Staff	3.0*	8.3	3.2
FTE	7.0	13.3	5.8
FTE Per M Pop	.46*	.77	.61
Volumes Owned	27,540*	75,681	40,416
Volumes Purchased	2,825	4,177	2,017
Total Circulation	66,102	137,560	55,362
Circulation Per Cap	4.3*	8.1	6.1
Total Exp. Per Cap	\$14.55*	\$41.27	\$28.54
Circulation Per Vol. Held	2.4	1.9	1.4

*Denotes areas where Franklin is below the average in both the population and expenditure groupings.

A community library like Franklin's plays a variety of roles including serving the educational, instructional, informational, and recreational needs of its users. In order to accomplish this, the library needs a good collection, knowledgeable staff and a suitable facility. A library that has a large but dated collection will likely have low circulation rate. A customer-oriented library will be culling books that do not circulate and replace those books with new material, resulting in higher circulation rates. Franklin appears to possess two of the three ingredients to accomplish this challenge. The one shortfall is the building that houses the library.

LGBR's impression of the library is that there is a major lack of space. The library is experiencing a growing community with expanding collections, programs, and users. Needs, in order of priority, include additional shelving and parking, a larger children's room, a separate meeting room and additional storage. Also, a separate reference area, a display area for circulating art prints and a larger work area with desks would also improve the efficiency of the library operations.

The township already has plans to triple the size of the current library. On January 1, 1999, the township received a \$1.44 million state grant for the purposes of constructing a new library, seniors' community center and veterans memorial building. Additional contributions of \$443,000 from various municipal, county and private sources including \$200,000 from the library reserve will be utilized for the construction and furnishing of the new facility. There will also be some debt financing involved with the development of the new building.

The current status of the new building is in the redesign and re-bidding stage. The new facility will solve the lack of space and overcrowding problem as well as other numerous and related issues.

Financial

The library operates with funds provided by the municipality, the state, private donations, grants, fines, fees, and interest income. According to the 1999 Public Library Statistical Report, the total revenue of the library for 1999 was \$243,392 and the expenditures were \$218,427. A review of the audited financial statements for the library indicates the municipal allocations and in-kind contributions for the last three audited years have been as follows:

Year	Allocation	In-kind Expenses	Total
1998	\$193,090	\$12,644	\$205,734
1997	\$191,917	\$11,932	\$203,849
1996	\$187,277	\$15,045	\$202,322

The library pays its own operating expenses from its municipal allocation including salaries, utilities, janitorial services, postage and supplies. In addition to the funds transferred to the library, the township makes certain payments for the library. These in-kind expenditures for the last three audited years are detailed below:

Year	Employee Benefits	Insurance	Administration Expenses	Public Works	Total
1998	\$9,619	\$225	\$1,250	\$1,550	\$12,644
1997	\$9,032	\$200	\$1,200	\$1,500	\$11,932
1996	\$9326	\$173	\$1,550	\$3,996	\$15,045

Funding

A review of the 1998 New Jersey State Library's "Public Library Statistics" listed local taxpayer funding for the Franklin library at \$205,734. State aid for 1998, according to the report, totaled \$21,493, which included the Access New Jersey grant of \$5,941. This grant enabled the library to purchase new computers as well as the network connection to Gloucester County College. N.J.S.A. 40:54-8 specifies that municipalities must fund libraries a sum of one-third of a mill on every dollar of assessable property based on the equalized valuation. The following reflects the required funding versus the actual local funding of the library:

Year	Total Funding	Required 1/3 mill	Additional Funding	% over 1/3 mill
1998	\$205,734	\$193,090	\$12,644	06.1

The city is providing the library with 6.1% more funding then required by law. The 6.1% consisted of in-kind payments made by the township for employee benefits, insurance, administrative and public works services that were utilized by the library. The New Jersey State library rates libraries based upon their dependency on local tax dollar support. In 1998, the Franklin library ranked 139 out of 315 reporting libraries, charging local taxpayers \$0.353 per \$1,000 of equalized property valuation.

Other sources of income in 1998 for the library included private donations, fines, fees, interest income and monies raised from fund raisers sponsored by the Friends of the Franklin Township Library. These miscellaneous sources totaled over \$16,000 of income for the library in 1998.

Policies and Procedures

At the current time, the library has no formal policy and procedure manual. The head librarian has been working diligently in the past year to formulate and implement policies throughout the library. When completed, a formal manual will be published that will state the policy guidelines for the collection development, internet usage, computer usage, commercial usage, special collection usage, and donation of materials among many other items. The policy and procedure manual is tentatively due for completion by the time the library moves into the new community center building. Many libraries have found sanctioning unwelcome behavior by patrons is difficult without adequate patron policies. We encourage the library board to promptly complete its work on the policy and procedures, including patron conduct.

Recommendation:

We recommend the library board promptly complete its work on policy and procedures manual.

Technology/Internet

Since March, 1998, the Franklin Township Library has been a member of the Gloucester Online Libraries Database (GOLD), a non-profit organization. GOLD was created to provide shared automated library services and other cooperative programs and services for libraries in the Gloucester County area. Currently, there are seven libraries within Gloucester County that utilize GOLD. Gloucester County College (GCC) and GOLD jointly own an integrated automated library system that is housed and operated for GOLD at GCC. The system consists of a circulation control system, an online public access system, database management system, edit-capabilities, acquisitions, serial control system and other capabilities.

The Franklin Library has six computer terminals connected to GOLD but only two allow library patrons to access the Internet. Patrons and staff use three of the other terminals to access card catalogs. The library staff uses one computer for administrative purposes. Patrons must possess a valid GOLD card issued by the library in order to use the Internet. Currently, there are 8,640 GOLD members that could take advantage of the GOLD system.

The library reports that in 1998, 215 patrons; and in 1999, 349 patrons, have utilized the Internet services that was provided by GOLD. Since implementing the services of GOLD, the library has paid \$10,272 in 1998 and \$11,272 in 1999.

With the library planning to move into new facilities, the need to expand its technology section is of primary importance. The new facility will provide more space for computer terminals and CD-ROM stations for public access.

County Library Services

To provide better service and ultimately cost savings, the township may wish to become a branch library member of the Gloucester County Library System (GCLS). To provide the very best patron services, libraries must keep up with technology. The equipment and expertise needed to accomplish this goal are very expensive and the cost would be prohibitive for any library individually. GCLS provides library service to residents of 14 of Gloucester County's 24 municipalities. Approximately 80,000 county residents can take advantage of the library services offered through GCLS.

Although Franklin's last experience in the mid 1980's as a member of the GCLS was unfortunate, the township must realize that since that time, GCLS has grown and has become the state of the art in servicing library patrons in Gloucester County. Even though the township library will eventually move into a new facility that will triple its size, the enormous resources and sophisticated technology offered by GCLS would make a the new library facility even better able accommodate the many needs for the residents of Franklin Township.

If Franklin was currently part of the GCLS, it would costs the township approximately \$27,000 more for county administered library services. Although not economical prudent at the current time, a financial suitability analysis should be undertaken after the new library building has been opened to compare the county library cost with the larger township library.

RECREATION

Lakes

The township employs part-time, seasonal lifeguards for the three lakes in Franklin Township. They normally work from Memorial Day through Labor Day. The lakes are guarded between the hours of 11:00 a.m. through 7:00 p.m., seven days a week. In 1999, they had 14 lifeguards for a total employee position cost of \$20,500. Salaries for the lifeguards are carried in the parks and playgrounds budget. The average hourly rate for Franklin lifeguards in 1999 was \$6.15, well below the \$7+ per hour that the team encountered in other communities.

All of the lifeguards report to a volunteer supervisor who develops their schedules, monitors their hours and is on call to mediate any disputes that may arise throughout the season. Each lifeguard is trained in the rules and regulations surrounding acceptable conduct at the township swimming areas. The volunteer supervisor is also a certified Red Cross life saving instructor. She requires all lifeguards to pass her course before they can work for the township. Each lifeguard is also trained in CPR and first aid. According to the Gloucester County Board of Health, the Franklin Township lifeguards are properly trained and Franklin has complied with all of the state health regulations applicable to non-tidal swimming areas.

We commend the township for developing an efficient and effective waterfront operation that utilizes expert volunteer supervision in conjunction with paid staff to deliver lifeguard services to the community.

Recreation Programs

Various recreational sports associations provide a variety of youth sports programs, which are organized through the efforts of volunteer leagues and the recreation commission. The township has no paid recreation staff.

In 1963, the township established a “Board of Recreation Commissioners” under Ordinance No. 0-3-63. The board is composed of seven commissioners and three alternates, all unpaid and all appointed by the township committee. The board operates under a set of by-laws that have been under revision since early 1998. The current by-laws require each league/organization to submit a budget for approval to the commission by October 15 of each year. It also requires, among other things, that each organization carry insurance and name the township as an additional insured. Each organization must submit their own by-laws, a list of officers and a schedule of games or activities to the board.

Recommendation:

We recommend that the commission promptly complete its review of the rules and regulations and that the final document be presented to the township committee for adoption by ordinance. This would eliminate any future regulatory conflicts and would enhance the ability of the township to enforce the policies if required.

The commission utilizes both municipal and public school facilities to meet the recreational needs of the township. Five municipally owned sites throughout the township contain active outdoor recreational facilities. The largest site is the Pennsylvania Avenue Sports Complex containing facilities for baseball, football, soccer, and in-line skate hockey.

Lightening

Lightening is a recognized hazard on ball fields and water bodies. As a result of recent New Jersey case law, the “act of God” immunity from liability due to lightening strikes that golf course owners (and presumably owners of outdoor recreation facilities generally) enjoyed, now appears to be limited. The Maussner case out of Atlantic County involves a golfer struck by lightening. The court found the golf course had some responsibility because it did not provide a warning about lightening conditions. The golf course defense, that lightening was an act of God, was apparently discounted by the court because devices now exist that can detect lightening conditions in time to provide a warning to golfers. The team understands this device costs \$800. Installing such a device at the five recreational areas would cost \$4,000.

Recommendation:

We recommend that the township investigate the use of lightening detectors for the township recreation areas and other areas of public land, and generally review emergency procedures relating to lightening.

One-time Value Added Expense: \$4,000

Financial

Funding to support the recreation programs comes through two sources, the municipal current fund budget and the recreation trust fund budget. Funds appropriated for the six major youth programs come from the current fund (parks and playgrounds) budget. The township appropriated \$43,789 in this budget in 1999, \$21,514 for salary and wages (lifeguards) and \$22,275 for other expenses.

Funding for other recreational activities involving the seniors or other civic organizations comes from the recreation trust fund. The trust fund receives revenue from donations and user fees. Recreation expenses are paid out of this fund as they arise and a balance is carried forward from year to year. The trust fund began 1999 with a balance of \$49,921.94. The annual financial statement for 1999 indicates that the Franklin recreation trust had a balance of \$31,859.35 as of 12/31/99.

We commend the recreation commission for making a wide range of activities available for both the children and adults of Franklin Township without full-time staff.

Facility Maintenance

The public works, parks and recreation division, maintains all of the township-owned recreation facilities and public areas. Records indicate that the public works department spent \$50,277 out of their 1999 budget on materials for recreation purposes. This amounted to about one third of the department’s total operating budget.

The department has recorded hours spent to maintain parks & recreation areas as well as grounds surrounding public buildings. The records do not allow for the segregation for specific activities associated with this work. Accordingly, we were not able to compute costs in categories directly comparable to private sector contracts. The team was able to determine through interviews that the actual activities performed included standard grass cutting and fertilizing, insect control, cleaning and replenishing beaches at lakes, repairing and installing playground and other equipment in parks, daily preparation of recreation fields and related surfaces, etc.

The team found all of the recreation facilities to be in excellent condition with healthy lawns and no sign of any untrimmed or uncut areas.

Wages and benefits to maintain the 37.97 acres of parks and public areas, excluding supervision and volunteers, amounted to \$151,414 in 1999. Combining this with the cost of materials, the team computed that the township paid \$201,691 or \$5,312 per acre, to maintain their parks and public areas. The time spent by township employees to maintain the parks and public areas amounted to 9,725 hours. This computes to a cost of \$20.74 per hour for a full service maintenance program. The team compared this to other communities in the area and found that Franklin's cost compared favorably.

Another benchmark suggests proper staffing consist of one staff member for each 29 acres of recreation area. This ratio will vary according to the extent to which the staff must maintain the facilities. For example, cutting grass without trimming would result in a high ratio. Seeding and fertilizing would cause the ratio to decline, as would lining and dragging ball fields or repairing facilities. Franklin's staff-to-acreage ratio is one staff person for 8.8 acres. Considering the scope of responsibilities associated with Franklin's maintenance and the high standard with which the facilities are maintained, we find their staffing to be acceptable.

We commend the department for their efficient full service maintenance program and for maintaining accurate, generalized records on the work performed by their employees.

Recommendation:

We recommend that the public works department further itemize the time spent on grass cutting, fertilizing, insect and weed control. This will allow the department to compare in-house costs with private sector costs.

All materials used to maintain the recreation facilities, including seed, fertilizer, insecticides, equipment, etc., are inventoried and neatly stored at the public works facility.

Senior Activities

The township also provides transportation for senior citizen recreational activities using a former school bus. Other than transportation costs, the cost for senior activities are provided by those participating.

EMERGENCY MEDICAL SERVICES

Franklin has one ambulance squad servicing the community. The squad is made up of volunteer members. The township appropriated \$43,900 in 1999 to purchase supplies for the squad. In addition to the municipal budget appropriations, the squad received public contributions amounting to \$32,511. The squad also earned interest income of \$348.57 according to the 1999 audit performed by the township finance officer. The ending balance of the checking account was \$12,470. Those interviewed also report the squad has a certificate of deposit in a principal amount of \$5,000.

The township also supports the squad through the purchase of certain capital equipment. In 1999, the township budget included a capital appropriation for the purchase of an ambulance in the amount of \$110,000. Those interviewed report that the squad has established a vehicle replacement plan that retires each ambulance after 12 years of service. Accordingly, a new ambulance would have to be purchased every three years to maintain the current fleet of four ambulances. The next ambulance purchase is anticipated in 2002.

The squad did not have a summary report of the incidents it responded to in 1999. The team did review the incidents as recorded by the county dispatch center. According to those records, the rescue squad responded to 813 calls for service. These included local medical calls as well as motor vehicle accidents, transports and mutual aid calls. This computes to an average of 2.25 calls for service per day. Unlike fire calls for service, virtually no EMS calls are false or unfounded.

Those interviewed noted that outgoing mutual aid calls were an increasingly common because neighboring squads were experiencing difficulties mustering a crew for EMS calls.

We commend the EMS volunteers in Franklin Township for their extraordinary efforts in providing this vital service to the community. Clearly, the volunteer effort provides a tremendous value to the community.

All calls for EMS are routed through the Gloucester County dispatch center.

The team was not able to review the response time of the squads because we were not provided with dispatch records for the squad. Those interviewed reported that response times ranged from 4 - 15 minutes, with the longer responses typically occurring overnight.

The squad operates out of three buildings located strategically in the community. The headquarters building houses two ambulances in addition to supplies, office space and a meeting room. The other two stations contain one ambulance, a supply room and a small meeting room.

Billing for Service

Many municipalities have successfully implemented a fee system for emergency medical service. Typically, the municipality establishes a fee and submits an invoice for emergency medical service. These charges are often eligible for reimbursement through the patient's medical

insurance or Medicare. We recognize that some individuals do not have medical coverage and do not have the means to pay for emergency medical service. Municipalities with which the team is familiar have established procedures to adjust the bill accordingly.

The establishment of a municipal billing system would reduce the amount of money raised through the property tax while allowing the township to continue to provide significant aid to the volunteers. We note that the township must address important legal and organizational details to implement a billing system that preserves the volunteer status of the squad.

The City of Ocean City, New Jersey established a billing system in 1997. In 1999, the city charged \$350 per call, and had a contractor produce the billing for a fee equal to 10% of the collections. Ocean City reports actual collections were 53% of the amount billed, resulting in an effective reimbursement per call of \$186. Accordingly, we estimate that billing for EMS in Franklin would generate approximately \$151,218 annually. This would result in net revenue of approximately \$136,096, assuming a contract billing service was used.

We recognize that some volunteers are concerned that billing for the service is inconsistent with the volunteer nature of the squad. However, the community must recognize that to properly support the volunteer effort with equipment and training is costly. We view an EMS fee as a means for the squad to achieve a more stable funding mechanism in cooperation with the township without impacting the property tax.

Recommendation:

We recommend the township consider establishing an EMS fee to recover some of the cost of providing EMS services. Should the township elect to begin billing, we recommend that the township contract with a third party agency to provide billing and collection services for these fees.

Revenue Enhancement: \$136,096

FIRE SAFETY OFFICE

Organization/Staffing

The bureau is located in town hall, and is staffed with one part-time fire inspector. The inspector completes fire safety inspections in commercial and multi family buildings throughout the community. This office also handles life hazard registrations, minor fire investigations and fire prevention activities. Larger, more involved investigations are turned over to the County Fire Marshall. The construction code inspector conducts smoke detector inspections for one and two family homes. The Fire Marshall log indicates that 155 hours were spent on inspections, training and administrative functions in 1999. Accordingly, we compute one-tenth full-time equivalent inspector for fire safety inspections. The inspector does not receive any health, vacation or other benefits from the township.

The 1999 salary and wages for this unit were \$6,864. The other expenses were \$7,493. Approximately, \$6,344 of the OE was expended for fire prevention/education materials. The fully loaded wage costs were \$7,390.

Inspections

During 1999 the office conducted 139 inspections. According to the inspector, approximately 50 were life hazard uses and approximately 89 were for non-life hazard uses. Two facilities require quarterly inspections. The inspector reports that during 1999 one or two summons for violations were issued. The inspector reports that many violations that are found are minor and typically corrected before he leaves the premises. A review of the log indicates no re-inspections occurred during 1999. The township assessing records show 259 commercial and industrial properties and 12 apartment buildings.

Accordingly, we compute 1,500 primary inspections per full-time equivalent inspector annually. This ratio compares favorably with inspection activity of 1,400 primary and 2,600 when including re-inspections, in large jurisdictions with which the team is familiar.

A review of the log showed the library and the public schools were inspected. The log did not show inspections for the town hall, firehouses, or the EMS buildings. A number of the uses that require quarterly inspections due to the higher potential life hazard appear to have been inspected only once during the year.

The inspector reported he had a good working relationship with the various fire companies in the township and credited the chief of each company and the construction code staff with keeping him informed of new occupancies and construction in the township.

Recommendation:

We recommend that all buildings that require inspections be registered and inspected. Additionally, we recommend those structures requiring quarterly inspections be inspected on a quarterly basis and that the inspections be properly documented.

FIRE SERVICES

Five fire districts govern the fire service in Franklin. The voters in each district elect the commissioners for each district. The commissioners prepare an annual budget and tax levy that is submitted to the district voters the third Saturday in February. The budget year for the districts runs from January 1 to December 31. Each district elects five commissioners, who in turn appoint the chairperson and other officers.

Generally, the fire district budgets provide for equipment and other support services, such as liability insurance and equipment repairs, for the volunteer fire companies within each district.

The volunteer fire fighters are organized into five private fire companies operating out of five fire stations. These private companies own the real estate in which the fire trucks and other equipment owned by the fire district are housed.

The fire districts reviewed have not been using the National Fire Incident Reporting System (NIFIRS) to record fire incidents and report statistics to the NJDCA. The team understands that none of the fire districts have historically used the voluntary NIFIRS reports. Together with the decision by three fire districts to not participate in the review, the team was limited in its review data on the types or number of fire incidents the companies respond to. Recent grants for heat imaging equipment have been awarded with the condition that NIFIRS reports be submitted. Accordingly, those districts receiving these grants have begun collecting fire incident data for submission in the NIFIRS format. We encourage all districts to collect fire incident data using the NIFIRS format. While submitting the information is optional for those not required by virtue of grant conditions, the collection and organization of basic fire incident statistics is a valuable tool to help plan fire service equipment and training needs.

We commend the volunteers of the various fire companies in Franklin for their dedication to the citizens of the township. The value of the fire and other emergency services provided by these volunteers is extraordinary. The effectiveness of this active volunteer force in a township the size of Franklin is a remarkable achievement.

A review of 1999 fire incidents in Franklin as recorded by the county dispatch center shows a total of 303 incidents to which the fire companies responded. This equates to just under one per day. Of these incidents: 71 or 23% were false alarms. Other incidents were totaled as follows: brush fires, 46; smoke investigations, 55; dwelling/structure fires, 47; and other services, 44. Each category composed about 15% of the total. Other responses were for trash fires (12), spills (5), and downed wires (23).

Fire Protection Rating

The insurance service office (ISO) is an organization upon which property insurers rely for an impartial evaluation of public fire protection. Insurers, in computing property insurance premiums, use the ISO fire rating to quantify the existing fire protection available to property owners. The ISO studies the water supply, distribution system and actual hydrant flow tests, staffing levels, equipment, training and how fire alarms and structured fires are handled.

The current ISO rating for Franklin Township is “class seven.” The team understands the highest rating available to a community with a volunteer fire service is a “class three.” The last ISO survey was conducted in 1990. ISO conducts new surveys approximately every ten years. Accordingly, the township and fire districts may anticipate a new survey in the very near future.

An ISO rating deterioration from class seven to class eight will affect the hazard insurance premium on residences and business establishments. An ISO rating of nine or more will cause homeowner insurance rate to further increase and cause burdensome changes to business owners’ premiums.

A copy of the 1990 ISO report was not available at the township or at the fire districts reviewed. The team obtained a copy of the report, and supplied a copy to the township. The report itemizes each area reviewed and any deficiencies found. It appears that some operational and equipment changes have been made that should improve the scoring on the next review. We encourage the fire districts and township to review the 1990 report and verify that where cost effective, shortcomings have been addressed.

Fund Raising Activities

Each year the various private fire companies, and first aid squad conduct fund raising activities, including solicitations of the residents and business in the township. The team reviewed the activities using records maintained by the State of New Jersey Division of Consumer Affairs, Charities Registration Section. We learned that Star Cross Volunteer Fire Company had registered as a charitable organization. We did not find registrations for Malaga Volunteer Fire Company, Franklin Ambulance Corp., Forest Grove Volunteer Fire Company, or Franklinville Volunteer Fire Company. N.J.S.A. 45:17A-18 et. seq. requires all charitable organizations that conduct fund raising activities in the state, except for religious and certain educational organizations, to register with and report certain information to the charities registration section.

Recommendation:

We recommend that the private volunteer organizations comply with the requirements of the Charities Registration Act, or discontinue fund raising activities.

Some individuals interviewed during the review questioned the need for five fire districts in Franklin. In some towns, multiple fire districts have resulted in unnecessary duplication of administrative staff and equipment. We understand that in Franklin none of the fire districts have direct employees. The commissioners or volunteers handle administrative tasks. Accordingly, it appears that consolidating fire districts in Franklin would provide very limited savings. As fire service operations become more complicated or the volunteer time more limited, one or more of the districts may need to reconsider how administrative and operational tasks are handled. Should the voters of Franklin Township wish to reconsider the decision to have fire districts, N.J.S.A. 40A:14-91 requires that 5% of the registered voters petition the township committee to consider this question. N.J.S.A. 40A:5A-20 and N.J.S.A. 40A:14-91 places the responsibility to dissolving a fire district with the municipal governing body. We also advise consultation with the State Local Finance Board.

Workers' Compensation

State law requires volunteer firefighters to be covered by workers' compensation insurance provided by the local unit of government. In Franklin, the township purchases workers' compensation coverage for the volunteers in all five-fire districts. In the team's experience, where fire districts exist, the districts have purchased this coverage. While the Franklin arrangement appears to be a useful consolidation of several small policies into one larger policy, the effect of claims from the fire service has negatively affected the townships' experience rating. Workers' compensation issues are more fully discussed in the township insurance section of this report.

Fire Stations and Apparatus

The team reviewed the fire stations and related response area together with the fire apparatus available at each station. The team used the standards promulgated in the National Fire Prevention Association (NFPA) Manual and ISO to evaluate the Franklin Fire Districts. The ISO ideal travel distance for an engine company (one pumper apparatus with fire fighters) is two miles. The ideal travel distance for a ladder company (one aerial truck with fire fighters) is two and one-half miles. Accordingly, the placement of fire stations is greatly influenced by these ideal travel distances.

Overall, the township fire districts have eight engines, one 100 foot ladder, one 50 foot aerial nozzle (tele-squirt), three brush trucks, two rescue trucks, five tankers, and various other vehicles and equipment.

The NFPA established standards for the amount and kind of apparatus needed for response and for reserve to replace equipment out of service. This standard provides that one engine should be provided for 15,000 to 20,000 of population; and one ladder should be provided for every two or three engine companies in a densely developed city, less in more suburban areas. Other more specialized equipment, such as heavy rescue, hazardous material spill response, aircraft or watercraft, may be added as the requirements in the response area and the mission of the department dictate. Accordingly, we compute that Franklin's population would require two engines (one primary and one reserve) and one ladder, with a reserve ladder available through mutual aid. The geographic size of Franklin dictates more equipment than the population ratio would dictate.

The team analyzed the geographic location of the various fire stations and apparatus. We were not able to analyze the response times because response time information was not provided to the team. Significant, but very rural areas of the township, particularly in the central and southeastern portions of the township, are outside the ideal response area. In contrast, the Star Cross and Janvier firehouses have an approximately 30% overlap in the ideal response area. Applying the ISO standard for distribution of equipment, we conclude that the township requires seven engine companies and one reserve engine. In addition, the township requires one ladder truck with three service companies to establish and maintain a water supply. The ISO standards require one reserve ladder. We believe that the reserve ladder requirement can be provided through a mutual aid arrangement. Accordingly, it appears that collectively the fire districts have the correct number of engine companies and ladder companies. Based on the rural nature of the township, the limited industrial uses, the absence of a water distribution system and the potential for wildfire, we believe the volume of brush trucks, tankers and rescue trucks is appropriate as well.

The ISO report noted many items of equipment were not given full credit due to insufficient equipment and tests. Properly outfitting the apparatus with ancillary equipment and testing hoses, pumps and other equipment is critical to improving the ISO grading. Because each fire insurance company uses the ISO grading differently in their premium computations, the team is

not able to compute a probable savings for each ISO point reduction. In the event a small number of insurers are insuring a large percentage of the property in Franklin, an analysis of how ISO rating affect premiums from those insurers may be instructive.

Recommendation:

We recommend each fire district review the ISO report and, where cost effective, acquire the proper equipment and arrange for equipment testing.

FIRE DISTRICT #4

The Franklin Township Board of Fire Commissioners, District #4 (Forest Grove) operate out of the Forest Grove fire station. Located on Forest Grove Road in the southeastern section of the township, the station serves as the headquarters of the Forest Grove Volunteer Fire Company. The station houses all of the apparatus and other equipment owned by the fire district. The district is responsible to provide fire suppression, hazardous material spill response for its area of the township. The district is also responsible for vehicle extrication and other rescue functions and participates in the Gloucester County tanker task force. The task force is a mutual aid arrangement for establishing large volume water supply when necessary.

The district's emergency vehicles include two engines (pumpers), one 50 foot aerial ladder truck, one extrication/heavy rescue truck, one boat/trailer unit, one brush trucks, and one 6,500 gallon tanker.

The district commissioners attend to all the administrative needs of the district, and have no paid staff. The commissioners are paid an honorarium of \$100 per year, with the treasurer receiving an additional \$200 annually. The district does not purchase health benefits, life insurance, or provide vehicles or other equipment for the commissioners.

Those interviewed reported that 65 firefighters were on the membership roles of the fire company, and over 20 responded to a typical fire. Weekday response to alarms was reported to be about the same as other times.

We commend the cost conscious volunteer efforts of the commissioners and firefighters.

N.J.S.A. 40A:14-88 requires that any compensation that board members approve for themselves is subject to review by the township governing body. The township clerk reports that fire district commissioner salaries have not been submitted to the governing body for review.

Recommendation:

We recommend the district comply with the statute.

Budget

The fire district budget in 1999 totaled \$143,675. The district surplus at year-end 1998 was \$12,771. Of that amount \$1,296 was used in the 1999 budget. The 1999 budget appropriations consisted of 66% non-salary/wage operations and 28% debt service. The operations consisted primarily of property and casualty insurance, maintenance and repair expenses, utility expenses, and rent paid to the Forest Grove Fire Company for the use of the firehouse and funds for an new water well and pump, rescue equipment, and other equipment.

The fire district did not have a written capital plan to replace fire apparatus or provide for other capital needs. Accordingly, we did not review the timing of replacement apparatus. According to those interviewed, the fire district last purchased a piece of apparatus several years ago.

A survey of larger departments in New Jersey found that they are buying new class "A" pumpers for about \$250,000. Examples of 1998 purchases are Paterson \$245,000, Jersey City \$249,000, Newark \$215,000, Trenton \$285,000, Elizabeth \$300,000. These prices reflect apparatus without unnecessary trim and ornamentation. Clearly, apparatus will be a significant portion of a capital plan. In other municipalities, custom specifications add significantly to the cost of apparatus without adding meaningful value. Accordingly, the districts may wish to limit custom equipment when considering future purchasing.

The team reviewed the purchasing procedures and the payment records for 1999. The district had not prepared written purchasing procedures. The expenditures reviewed were unremarkable. We noted a number of invoices for goods and services predated the purchase order indicating confirming orders were occurring with some regularity. Those interviewed reported that the district had recently begun encumbering purchase orders to comply with the requirements of the New Jersey Division of Local Government Services. While some confirming orders can be expected in any organization, we believe all concerned should be reminded of the need to comply with the Local Fiscal Affairs Law and the directives of the Director of Local Government Service.

We noted that the purchase order/voucher form used by the district did not have the required vendor or officer certifications. We believe this shortcoming can be easily corrected with guidance from the district auditor and by using the township voucher form as an example.

Recommendation:

We recommend the district revise the purchase order voucher form to comply with regulatory requirements, and that the purchasing procedures (including emergent purchases) be committed to writing and reviewed with all concerned.

We noted that the district has an arrangement to purchase fuel from the township for the fire vehicles. This arrangement provides the district with fuel at a bulk price and without federal and state fuel taxes. According to those interviewed, the district does not always fuel at the township facility because it is inconvenient to the fire station. The districts often purchases fuel at a nearby fuel retailer. The district is paying federal and state fuel taxes on these fuel purchases. Because

the volume of fuel is modest, the net effect is a cost of approximately \$200 per year in taxes. The district may wish to contact the New Jersey Treasury Division of Taxation and the Federal Internal Revenue Service regarding the forms needed to permit the retailer to sell the district fuel tax exempt.

Recommendation:

We recommend the district review all purchases to verify that it is taking advantage of its tax-exempt status.

Cash Management

The district has not adopted a cash management plan. N.J.S.A. 40A:5-14 requires that all local units adopt a cash management plan. Such a plan would include the designated public depository(s); permissible investments; approval of plan modifications by vote of the governing body; and monthly reporting on the operating plan. A template cash management plan is available from the New Jersey Division of Local Government Services. We believe a cash management plan provides one of the features of a good internal control system.

Recommendation:

We recommend the district comply with N.J.S.A. 40A:5-14.

General Cash Accounts

The district maintains two bank accounts at a local banking institution. One is a general account used for routine receipts and disbursements. This account is non-interest bearing. The other is an interest bearing account used for funds not immediately needed for operating costs. The district does not invest in certificates of deposit or other interest bearing accounts.

The district has maintained its accounts without benefit of an “account analysis” service provided by the bank. This service provides a monthly detail of the bank’s services and associated fees in addition to a traditional bank statement. The account analysis statement also identifies the average daily balance available for investment or withdrawal. This is the basis for calculating the interest earnings.

This process enables the bank client to typically earn higher interest income since interest is computed daily against the aggregate account balances. In contrast, one traditional method is to compute interest against each account individually, and not necessarily daily. Clearly, the earnings will be higher when the interest rate is computed daily on the aggregate amount as opposed to applying it separately to each account less frequently. The client also benefits by seeing the fees or compensating balance requirements for banking services each month.

The month ending balance during 1999 ranged from \$56,874 to \$90,449.

The district does not maintain a relationship with the New Jersey Cash Management Fund (NJCMF), a public funds investment division of the State Treasury. The NJCMF is an investment tool for idle funds, but does not provide bank services such as check processing.

The NJCMF provides greater liquidity than bank certificates of deposit or T-bills. Redeemed funds are generally available in one business day, reducing the amount of time required for completing CD transactions and timing investments, as well as eliminating the need for a cash flow reserve.

Cash Account Analysis

The team performed an analysis of the bank accounts. Our analysis compares the interest actually earned by the township from January through December, 1999 to the earnings that would have been achieved in the NJCMF and the three month treasury bill. The analysis was complicated by the fact that the district has not taken advantage of the account analysis service that would have provided an average daily balance for each account as well as the various charges and compensating balances. Accordingly, we used the beginning balances from the statements. Using the beginning balances is not as accurate as an average daily balance in computing potential earnings.

The interest rates paid by the district's bank for the investment account was 2.53% for all of 1999 with interest earnings of \$910. The 91-Day T-Bill rate ranged from 4.08% to 5.10%, with net potential earnings of approximately \$3,496 or \$2,586 more than the interest paid by the bank. The NJCMF rate ranged from 4.98% to 5.45%, with net potential earnings of approximately \$3,848 or \$2,938 more than the bank paid.

We recognize that the NJCMF may not always represent the most competitive interest rate, however, it should be considered as a secure, liquid investment option.

Recommendation:

We recommend the treasurer request the bank to provide a monthly account analysis, and establish an account relationship with the NJCMF. We recommend the district competitively invest all balances in excess of those required for banking services.

Revenue Enhancement: \$2,938

Insurance

The district has procured property, liability and auto insurance from a firm licensed to sell insurance in New Jersey through a local broker. The district does not purchase health insurance because the district has no employees. The policies were not available for review at the district office. The team did review copies of policy declaration pages provided by the district at a later time. The coverage appeared to be adequate. Those interviewed did not recall any significant claims in recent years other than for workers compensation.

Those interviewed reported that the fire chief kept many of the district records at another location. Reportedly, the chief felt the records were more readily accessible when needed. While we appreciate the chief's concern, we believe that the district secretary is the proper officer to be the custodian of original district records. It is also important that the records of the district be reasonably available to commissioners and the public.

Recommendation:

We recommend all records be located in the district facility.

Other Matters

During the review of the district's minutes and other records, the team was not able to locate resolutions appointing an official newspaper for legal advertising or appointing an attorney for the district. In addition, no resolutions were found setting a commissioner meeting schedule, acknowledging receipt of the annual audit, or adopting a corrective action plan in response to audit comments.

While the team believes that each of these items is an oversight of annual housekeeping matters, we encourage the district to attend to these matters to avoid potential misunderstandings.

FIRE DISTRICT #5

The Franklin Township Board of Fire Commissioners, District #5 (Star Cross) operate out of the Star Cross fire station. The premises are owned by the Star Cross Volunteer Fire Company. Located on Tuckahoe Road in the northeastern section of the township, the station serves as the headquarters of the Star Cross Volunteer Fire Company. The station houses all of the apparatus and other equipment owned by the fire district. The district is responsible to provide fire suppression for its area of the township. The district is also responsible for vehicle extrication and other rescue functions and participates in the Gloucester County tanker task force. The task force is a mutual aid arrangement for establishing large volume water supply when necessary. Vehicle extrication and other involved rescue operations are not common in the response area. Accordingly, the district generally relies on mutual aid to assist the Star Cross volunteers during rescue operations. Star Cross also has a mutual aid agreement with a fire company in Monroe Township that provides for Star Cross to respond at the first alarm to a high rise structure in Monroe. In return, a Monroe ladder company is summoned for any structure fires in the Star Cross response area requiring an aerial ladder. The mutual aid agreement is a long-standing arrangement, but is not in writing.

The mutual aid agreements that provide for a ladder company response to Star Cross when needed is a good example of how very expensive equipment and crew training can be efficiently utilized at a great savings to the public. We estimate that a new ladder truck costs approximately \$500,000.

We commend the Star Cross Fire District for using a mutual aid agreement to cost effectively provide an aerial ladder when required.

The district's emergency vehicles include one tanker/pumper, two pumpers, one brush truck/mini-pumper and one automobile.

The district commissioners attend to all the administrative needs of the district, and have no paid staff. The commissioners are paid an honorarium of \$300 per year, with the treasurer and secretary receiving an additional \$25 annually. The district does not purchase health benefits, life insurance, or provide vehicles or other equipment for the commissioners.

N.J.S.A. 40A:14-88 requires that any compensation that board members approve for themselves is subject to review by the township governing body. The township clerk reports that fire district commissioner salaries have not been submitted to the governing body for review.

Recommendation:

We recommend the district comply with the statute.

Those interviewed reported that 35 firefighters were on the membership roles of the fire company, and at least 8 to 10 responded to a typical fire. Weekday response to alarms was reported to be about the same as other times. Those interviewed reported the company responded to approximately 125 alarms per year. A summary of alarms by type was not available. The district had just begun reporting incidents in the NIFIRS format for 2000, accordingly, better incident statistical data will be available in the coming years. This data may help the commissioners further define the operational needs of the company.

We commend the cost conscience volunteer efforts of the commissioners and firefighters.

Budget

The fire district expenditures in 1999 totaled \$126,596. The district surplus at year-end 1998 was \$71,743. The 1999 budget appropriations consisted of 31% non-salary/wage operations and 66% capital appropriations. The operations expenses consisted primarily of property and casualty insurance, maintenance and repair expenses, utility expenses and funds for rescue equipment, and other equipment.

The fire district did not have a written capital plan to replace fire apparatus or provide for other capital needs. Accordingly, we did not review the timing of replacement apparatus. According to those interviewed, the fire district last purchased a chassis for an existing piece of apparatus several years ago.

A survey of larger departments in New Jersey found that they are buying new class "A" pumpers for about \$250,000. Examples of 1998 purchases are Paterson \$245,000, Jersey City \$249,000, Newark \$215,000, Trenton \$285,000, Elizabeth \$300,000. These prices reflect apparatus without unnecessary trim and ornamentation. Clearly, apparatus will be a significant portion of a

capital plan. In other municipalities custom specifications add significantly to the cost of apparatus without adding meaningful value. Accordingly, the districts may wish to limit custom equipment when considering future purchasing.

The team reviewed the purchasing procedures and the payment records for 1999. The district had not prepared written purchasing procedures. The expenditures reviewed were unremarkable. We noted a number of invoices for goods and services predated the purchase order indicating confirming orders were occurring with some regularity. Those interviewed reported that the district had recently begun encumbering purchase orders to comply with the requirements of the New Jersey Division of Local Government Services. While some confirming orders can be expected in any organization, we believe all concerned should be reminded of the need to comply with the Local Fiscal Affairs Law and the directives of the Director of Local Government Service.

We noted that the purchase order/voucher form used by the district did not have the required vendor or officer certifications. We believe this shortcoming can be easily corrected with guidance from the district auditor and by using the township voucher form as an example.

Recommendation:

We recommend the district revise the purchase order voucher form to comply with regulatory requirements, and that the purchasing procedures (including emergent purchases) be committed to writing and reviewed with all concerned.

The district has an arrangement to purchase fuel from a local vendor for the fire vehicles. This arrangement provides the district with fuel on a tax-exempt basis.

Cash Management

The district has not adopted a cash management plan. N.J.S.A. 40A:5-14 requires that all local units adopt a cash management plan. Such a plan would include the designated public depository(s); permissible investments; approval of plan modifications by vote of the governing body; and monthly reporting on the operating plan. A template cash management plan is available from the New Jersey Division of Local Government Services. We believe a cash management plan provides one of the features of a good internal control system.

Recommendation:

We recommend the district comply with N.J.S.A. 40A: 5-14.

General Cash Accounts

The district maintains two bank accounts at a local banking institution. One is a general account used for routine receipts and disbursements. This account is an interest bearing checking account. The other is an interest bearing savings account used for funds reserved for capital acquisitions. The district does not invest in certificates of deposit or other interest bearing accounts.

The district has maintained its checking account without benefit of an “account analysis” service provided by the bank. This service provides a monthly detail of the bank’s services and associated fees in addition to a traditional bank statement. The account analysis statement also identifies the average daily balance available for investment or withdrawal. This is the basis for calculating the interest earnings.

This process enables the bank client to typically earn higher interest income since interest is computed daily against the aggregate account balances. In contrast, one traditional method is to compute interest against each account individually, and not necessarily daily. Clearly, the earnings will be higher when the interest rate is computed daily on the aggregate amount as opposed to applying it separately to each account less frequently. The client also benefits by seeing the fees or compensating balance requirements for banking services each month.

The month ending balance during 1999 ranged from \$67,263 to \$127,035.

The district does not maintain a relationship with the New Jersey Cash Management Fund (NJCMF), a public funds investment division of the State Treasury. The NJCMF is an investment tool for idle funds, but does not provide bank services such as check processing.

The NJCMF provides greater liquidity than bank certificates of deposit or T-bills. Redeemed funds are generally available in one business day, reducing the amount of time required for completing CD transactions and timing investments, as well as eliminating the need for a cash flow reserve.

Cash Account Analysis

The team performed an analysis of the bank accounts. Our analysis compares the interest actually earned by the township from January through December, 1999 to the earnings that would have been achieved in the NJCMF and the three month treasury bill. The analysis was complicated by the fact that the district has not taken advantage of the account analysis service that would have provided an average daily balance for each account as well as the various charges and compensating balances. Accordingly, we used the beginning balances from the statements. Using the beginning balances is not as accurate as an average daily balance in computing potential earnings.

The interest rates paid by the district’s bank for the general account was 2.07% for the checking account for all of 1999. A saving account interest rate appeared to vary over the year and was computed by the team to average less than 1%. Total interest earnings were \$2,515. The 91-Day T-Bill rate ranged from 4.08% to 5.10%, with net potential earnings of approximately \$3,866 or \$1,350 more than the interest paid by the bank. The NJCMF rate ranged from 4.98% to 5.45%, with net potential earnings of approximately \$4,282 or \$1,767 more than the bank paid.

We recognize that the NJCMF may not always represent the most competitive interest rate, however, it should be considered as a secure, liquid investment option.

Recommendation:

We recommend the treasurer request the bank to provide a monthly account analysis, and establish an account relationship with the NJCMF. We recommend the district competitively invest all balances in excess of those required for banking services.

Revenue Enhancement: \$1,767

Insurance

The district has procured property, liability and auto insurance from a firm licensed to sell insurance in New Jersey through a local broker. The district does not purchase health insurance because the district has no employees. The policies were available for review at the district office. The coverage appeared to be adequate. Those interviewed did not recall any significant claims in recent years including workers compensation. The team noted that the auto policy deductible was \$100 per vehicle. The commissioners may wish to have the broker provide comparative premiums for \$500 or \$1,000 deductibles.

III. COLLECTIVE BARGAINING ISSUES

An area that frequently presents significant opportunities for savings is negotiated contracts. While they represent opportunities for savings, the savings and contract improvements are most likely to occur incrementally, through a well-conceived process of redeveloping compensation packages to be equitable and comprehensive. For this reason we present those issues subject to collective bargaining agreements separately in this section.

The LGBR review team examined the township's three collective bargaining agreements and individual contract agreements within the township. The following chart summarizes the bargaining unit, the employees represented and the terms of the contracts reviewed:

Unit	Employees Represented	Contract Period
AFSCME AFL-CIO District Council 71-Local 3574	DPW Laborers, Truck Drivers, Mechanics, and Crew Leaders, Township Clerks and Secretaries, Police Dispatchers, Bus Driver, Electrical Inspector and Meals on Wheels Courier	1/1/98-12/31/00
PBA 122 Police Supervisor's Association	Police Lieutenants and Sergeants	1/1/00-12/31/03
PBA Local 122	Patrol Officers and Detectives	1/1/00-12/31/02
12 Individual Contracts	Tax Assessor, Tax Collector, Township Administrator, Zoning/Housing Inspector, Parks/Recreation Foreman, Public Works Foreman, Court Administrator, Superintendent of Public Works, Chief Financial Officer, Township Clerk, Chief of Police, Community Development Director	Various

Health Insurance

The township pays 100% of all health, dental, eye care and prescription insurance benefit costs for their employees. Employee dependants are eligible for coverage; however, the township has limited its cost for non-police employees. The township pays a maximum of \$235.00 per month towards the cost of parent/child, husband/wife or family medical insurance coverage. The township pays all the insurance premiums for the eligible police dependants. As of December 31, 1999, 72% of the township employees have some form of medical coverage provided by the township. Twenty-five percent of the township's employees are not eligible for benefits because of their part-time status and three percent opted out of the township health insurance plan in

return for cash reimbursement of 50% of the annual savings to the township. Employees must average 30 hours per week to be eligible for benefits. The purchase of health benefit insurance is reviewed in the Insurance section of this report.

We commend the township for acting to control health benefit costs.

Sick Leave Incentive Plan

According to the AFSCME collective bargaining agreement, full-time township employees receive 10 sick days each calendar year of employment. Upon retirement from the township, an employee that earns \$20,000 per year or less will be entitled to \$30 per day of unused sick time. An employee that earns \$20,001 per year or more will be entitled to \$45 per day of unused sick time upon retirement. In addition, employees who have at least 30 sick-days accumulated as of November 1st of the each year may voluntarily sell back up to five days.

According to the patrolmen's and the lieutenant's/sergeant's collective bargaining agreements, each officer receives 12 sick leave days per year. Officers who accumulate sick days in excess of 60 days may sell back to the township one-half of the days in excess of the 60 days not to exceed six days or 48 hours in one year. In addition, upon retirement, an officer is entitled to payment for up to 60 days of accrued sick time which is not paid in a lump sum but paid prior to the effective day of retirement when the officer is in an inactive status. In other municipalities, this practice has resulted in complications regarding the accumulation of other leave such as vacation or holidays during the two months time off. It can also result in unanticipated complications if an officer during this period acts in their capacity as an of duty officer, perhaps when engaged in other employment. Clear points of transition in ones status as an employee to a retiree are more easily established when sick leave buy back provisions are cashed out.

The township does not maintain a maximum dollar limit in regards to the accumulative sick leave benefit pay out at the time of retirement for either the AFSCME or the two police collective bargaining agreements. The police contracts do limit the number of days the township will pay for.

During the past two years, the township has paid the following amounts to buy back sick leave:

Year	No. of Employees	Amount
1998	24	\$19,646
1999	23	\$19,044

We commend the township for limiting the amount of sick leave buy back payments.

Recommendation:

We recommend the township negotiate a dollar cap on sick leave buy back payments. In addition, we recommend the township discontinue the practice of allowing sick leave to be taken as time off at retirement.

Longevity

Two of the township's collective bargaining agreements have provisions for longevity pay. Longevity pay is based on an increasing scale corresponding to an employee's years of service to the municipality.

During the past two years, the township has paid the following monies in regards to longevity payments:

Year	No. of Employees	Amount
1998	56	\$52,753
1999	45	\$51,465

Both contracts have longevity pay expressed as a percentage of base pay. The police contract reads: longevity benefits will be paid at the rate of 2 ½% at five years of service and increased to 4 ½% at 10 years of service. The AFSCME contract states the longevity rate is 2% at five years and 2.5% at eight years. Using percentages rather than fixed dollar amounts is very costly to the township because unrelated wage increases and promotions compound the longevity payments.

Recommendation:

We recommend the township negotiate fixed amount longevity payments for all collective bargaining employees.

Individual Contracts

Twelve employees have individual contracts.

All of the individual contracts are relatively consistent with the terms and conditions in the township's AFSCME collective bargaining agreement. Vacation leave varies from contract to contract and ranges from incremental increases in vacation time based on the number of years service to a predetermine fixed vacation allotment without regard to the number of years service. In the individual contracts, a worker can receive payment for a maximum of 60 sick days at retirement. The sick day payment formula in the individual contract does vary from contract to contract. There is no cap on the amount of unused sick time that an employee may be paid for.

IV. STATUTORY AND REGULATORY REFORM

The final section of the report, Statutory and Regulatory Reform, attempts to identify those areas where existing state regulations or statutory mandates are brought to the attention of the LGBR review team by local officials which appear to have an adverse effect on efficient and cost effective local operations. It is common for local officials to attribute high costs and increased taxes to “state mandates.” Each review team is then charged with reporting those areas in this section of the report. The findings summarized below will be reviewed by the appropriate state agency for the purpose of initiating constructive change at the state level.

Fire District Elections

Local officials commented that the date for fire district elections appeared to be an important reason for low voter participation in elections. Officials felt that changing the statutory date for fire district elections to conform to other municipal elections would improve the participation by citizens.

LOCAL GOVERNMENT BUDGET REVIEW TEAM

Peter R. Lawrance, Acting State Treasurer
Robert J. Mahon, Director, Local Government Budget Review
JoAnne M. Palmer, Deputy Director, Local Government Budget Review

Ulrich H. Steinberg, Jr., Director, DCA, Division of Local Government Services

Township of Franklin Review Team

John Schoenberg, Team Leader
Local Government Budget Review

Edward Perugini, Local Government Budget Review
Lou Kaniecki, Local Government Budget Review
Vince Mastrocola, Local Government Budget Review

Website address: www.state.nj.us/lgbr